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Indonesia: Facing the 1992 General Election

- Current Events
- Domestic Developments in Indonesia: Political and Social
- 1992 General Election Prospects
- Political Issues of the Nineteen Nineties and Their Influence on the Party System in Indonesia
- NU's Response to the New Order's Political Development
- PDI in the Face of the 1992 General Election
- Democracy and Parliament: Future Agenda
- Indonesia's Rice Trade Policy: Who Gets the Benefit?
- Book Reviews

NALAR AJAR TERUSAN BUDI
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CENTRE FOR STRATEGIC AND INTERNATIONAL STUDIES

The Quarterly

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The Logo



To better represent the underlying ideas that gave birth to the CSIS in 1971 the Centre uses as of 1989 the logo that figures on the front cover of this journal. The original, in bronze, designed by G. Sidharta, it consists of a disc with an engraving that depicts the globe which serves as a background to a naked man with an open book laid on a cloth over his lap, his left hand pointing into the book, his right hand raised upwards. Altogether it simbolises the Centre's nature as an institution where people think, learn and communicate their knowledge to whoever are interested, to share it with them, mankind the world over being their concern and the globe their horizon. The nakedness symbolises the open-mindedness, the absence of prejudice, in the attitude of the scholars who work with the Centre, just as it is with scholars everywhere. The inscription reads *"Nalar Ajar Terusan Budi,"* which in the Javanese language essentially means that to think and to share knowledge are only the natural consequence of an enlightened mind. It is a *surya sengkala,* that is *chandra sengkala,* a Javanese traditional way to symbolise a commemorable year in the lunar calendar, adapted to the solar calendar system. It consists in using words that express the perceived meaning of the commemorated year while marking the year at the same time, each word having a numerical value. Thus, the inscription, in reverse order, represents the year the CSIS was established: 1971.

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From the Editor

THE year 1992 marks the final stage of Indonesia's first long-term development programme initiated by the New Order government 25 years ago. The last phase of the programme, the Fifth Five-year Development Plan (PELITA V) will have come to an end by 1993 and should have re-inforced the beginning of the Second Long-term Development Programme of 25 years by then. It is also the year of the General Election because on 9 June 1992 the Indonesian people will go to the polls to elect their representatives, who will decide the future of the country. They will make decisions to lead the country towards the objectives of national development, namely an advanced, secure, just, prosperous, and lasting society based on Pancasila, the state's ideology.

However, the success of national development depends on the participation of the entire Indonesian people and particularly, the socio-political forces, of which a number of their members will be elected as people's representatives in the 1992 General Election. Hence it is also imperative that the socio-political organisations participating in the general election (OPPs) prepare their respective programmes of action. The OPPs (Golkar, PPP, PDI), each according to its field and capability, have to implement the country's development programme, which is outlined in the Guidelines of State Policy (GBHN). As a matter of fact, the GBHN is determined by the People's Consultative Assembly (MPR) in the general sessions held every five years, in compliance with the 1945 Constitution.

In implementing the GBHN the OPPs have to abide by the Principles of Pancasila as their sole frame of reference, which is characteristic of Indonesia's Pancasila democracy. It is worth noting that recently the issue of political openness became a topic of discussion in a country that adopts Pancasila democracy. This issue is elaborated by Marzuki Darusman, member of Parliament, in his article "Domestic Development in Indonesia: Political and

Social," which appears in the present issue of the Indonesian Quarterly. To keep the readers more informed about Indonesia's political development today, other articles are also presented in this journal discussing the preparations made by the political parties in the face of the 1992 General Election and the country's democracy. The development of democracy in Indonesia is analysed in "Democracy and Parliament: Future Agenda." Noteworthy is the reaction shown by *Nahdlatul Ulama* (NU), an Islamic social organisation, with regard to the democracy, which is revealed in, "NU's Response to the New Order's Political Development."

In conclusion, rice is an important staple food commodity in Indonesia and its shortage will easily become a socio-political and security issue. Since a few years ago the country has embarked upon endeavours for self-sufficiency in rice, which is important in Indonesia's rice trade policy. However, we may raise the question as to who will gain and who will lose in such a policy. To answer this question the article, "Indonesia's Rice Trade Policy: Who Gets the Benefit?" is appended in this issue.

Daniel Setyawan

Current Events

The 1992/1993 Draft State Budget: Various Ideas

Mari Pangestu

AS was expected, the increase as pictured in the 1992/1993 Draft State Budget is only small in real terms. Although the budget increased eleven per cent nominally, if the inflation of 1992/1993 will be seven to eight per cent then the real increase is only three to four per cent.

More important is the contraction planned in the Draft State Budget of 1992/1993. The impact of the Draft State Budget on the domestic economy can be calculated from the difference of funds that will be spent in the form of income from non-oil/gas (taxes form a reduction of consumption) and funds that will be used for financing or will be returned in the domestic economy (routine expenses -- payments of foreign debts + development funds in rupiahs). This difference for the 1992/1993 Draft State Budget turns out to be a negatife of Rp 1.4 trillion or a contraction as large as Rp 1.4 trillion. This contraction can be compared with the expansion to the amount of Rp 2.2 trillion that was planned in the previous Draft State Budget.

This contraction will follow the same course as the steps taken by the government at this moment to maintain the stability of the macro-economy. In the period of 1990-1991 the development of Indonesia's economy was considered too high with an inflation approaching two digits. Efforts under-

Translated from *Suara Karya*, 7 January 1992.

taken to maintain the macro stability or a development that caused inflation and a high current account deficit, were the Tight Money Policy (TMP) and lately, the control of foreign debts.

What is the significance of this contraction? A contraction to the amount of Rp 1.4 trillion is a *decrease* from the viewpoints of consumption and investment, which are the prime sources of the increase of national income (GDP). Other sources of development in GDP seen from the viewpoint of expenditures are export minus import. Although the *multiplier effect* has already been calculated (macro economic measures to find out the impact of changes in investment and consumption) the impact on the decrease of GDP is not substantial -- Indonesia's GDP can reach Rp 250 trillion in 1992/1993.

Yet it is worth noting that the Draft State Budget in net terms has a negative impact on economic growth and that this matter is very different from the previous situation where the Draft State Budget played a significant role on growth, especially at the time of the oil boom. This is the essence of the fiscal instruments to decrease the growth in time of "overheating". This also means that for a stable growth in the future, there should be more reliance on an increase of investment and private consumption (including from foreign sources and state owned corporations/BUMN), especially the increase of exports in view of the current account deficit.

Thus far the fiscal policy in the Draft State Budget has not always been geared to collaborate with the other macro policies such as monetary policy and that of rate of exchange, among others because a balanced budget was maintained. Although there are now signs of change in this policy to save additional income from the 1990/1991 State Budget, because of the increase in oil prices, yet in the fiscal year 1991/1992 precisely there was a salary increase for civil servants which had an expansionary impact.

Only in the Draft State Budget of 1992/1993, the government seems to plan to make use of this fiscal policy to achieve a stable macro-economy. So TMP can be expected to slacken, because of the efforts to overcome unstable growth assisted by the fiscal policy as was stated by the President in his speech on the 1992/1993 Draft State Budget.

There are two remarks in this regard. *First,* although the Draft State Budget will be passed as law, as is drafted based on an assumption, the reality is usually different and as happened in 1991/1992, some essential changes such as the increase of salaries of civil servants was implemented after the Draft State Budget had been ratified. So how far fiscal discipline in a state budget can be maintained, in view of the fact that 1992/1993 is a general election year, calls for scrutiny. *Second,* although a fiscal policy can provide assistance to guard the macro stability, and TMP can be loosened, it is not quite certain that this fact will decrease the limitation of funds and the high interests rate at present. The influence of the regulation for the soundness of the banks and the control of foreign debts, along with the investment climate, should be known more clearly.

As for the expenditures of the Draft State Budget of 1992/1993 which should be analysed is the problem of allocating the development funds. *First,* as the funds for development are limited, it is becoming in-

creasingly important to have a priority in the use of these funds. In the President's speech shortly before that of the 1992/1993 Draft State Budget it seemed necessary that priority in the development expenditures should be given to securing foreign exchange, infrastructures and equitable distribution. The limited infrastructure seems presently to be the greatest obstacle for the development of investments, so it seems to be the most pressing need. Whereas equitable distribution, unlike the infrastructures, which still can be arranged by the private sector is largely the duty of the government.

The securing of foreign exchange means limitation of projects with large imports, that do not accumulate debts beyond the limit, and a policy of controlling foreign loans that are connected with the government is one of the efforts to overcome this problem. It is expected that this process can proceed without additional regulations and bureaucracy which precisely may affect productive loans.

Whereas the priority of expenditures for infrastructures is pictured in the specification of development expenditures, such as, for example, the increase of the energy sector because of the subsector of electricity. Since the last few years, the role of the private sector has increased in the project of infrastructures. The priority for infrastructures has already been stressed for the last few years; yet not less important is to lessen squander and to increase efficiency which might happen in managing these projects. Privatisation is not absolutely equal to greater efficiency.

The aim of equitable distribution is reflected in the development expenditure that is connected with the public service, education, agriculture and irrigation and development of the regions. Especially in the field of education there is need for long-term thoughts not only about the quantity, but more about the proper quality of education.

Finally, the aspect of revenues in the Draft State Budget of 1992/1993, the target of the income from the non-oil/gas that is estimated at 29 per cent is high enough (although seen from the first semester, there is a possibility that the amount received will be higher than that estimated in 1991/1992 so that the targeted growth will be a little lower). This target is considered to be too high, based on the consideration that the economic growth in the coming fiscal year will experience a decline and owing to the doubt about the competence of the tax apparatus to reach this target in the allocated time.

This last fact should be studied more closely. Behind the above mentioned target there is certainly a policy to increase the collecting of taxes -- intensification of those who have been registered as tax-payers, as well as extensification of the number of those paying taxes. The increasing of VAT (value added tax) aimed at decreasing consumption and including the deposito interests as income in the calculation of the profits of a company that has to pay taxes, will also be carried out. The potential of revenues from taxes in Indonesia is still large. The number of taxpayers that were registered in 1990 is estimated to be 856,000 for individual income tax and 248,300 for company income tax. The problem to increase the tax revenues is a technical, administrative and managerial one; and it is certainly expected that the activities of increasing taxes will be just and equitable.

Preparation of the Political Parties (OPP) in Facing General Election 1992

F.S. Swantoro

FACING the general election of 9 June 1992, the three political parties participating in the general election or OPP (PPP, Golkar and PDI)*, respectively stated to be ready for the "battle". The same determination of the three OPPs (political parties) to win the election of 1992, is reflected in their statements through the mass media. Generally each OPP hopes that the General Election of 1992 will proceed in a direct, general, free, secret manner and in a just and honest way, with better quality and having more weight. Whether this hope will be realised, will much depend on the cooperation and participation of all parties, the organisers of the general election, the contestants in this election as well as the voters. Good operation of all the parties involved, will at least reflect the results of an election of higher quality and weight, as is wished by GBHN (*Garis-garis Besar Haluan Negara* - Guidelines of State Policy). All efforts should be aimed at that direction.

In view of the facts, the 1992 General Election will consistently be dominated by Golkar in obtaining the votes. Golkar even targets 73 per cent of the votes like the results of the previous election in 1987. This ambition is well founded, in view of the fact that Golkar in the coming election will consistently try to achieve three objectives: *First,* Golkar desires to guarantee the continued realisation of the determination of the New Order in implementing Pancasila and the 1945 Constitution authentically and consistently; *Second,* it wishes to guarantee the continuation of national development to the take-off stage; *Third,* it wishes to consolidate the format of New Politics, and increase the quality of the working mechanism of the Pancasila democracy political system, which until now is being developed with great zeal.

As a result of these three reasons mentioned earlier, it might well happen that Golkar will be shackled by its political programme that tends to be too ambitious, in spite of the fact that Golkar has the means and infrastucture that are more than sufficient to obtain all of them. At the same time it is supported by very large funds to reach this objective.

Although such is the situation, the skill of Golkar in gaining votes does not dis-

*PPP = *Partai Persatuan Pembangunan* (The Unity Development Party); GOLKAR = *Golongan Karya* (The Functional Group); and PDI = *Partai Demokrasi Indonesia* (The Indonesia Democratic Party).

courage the other OPPs (namely PPP and PDI). Even with self-confidence PPP and PDI are also ready for the "battle", in facing the forth-coming general election. Attractive issues which will later be announced during the campaign, are now carefully prepared to lure voters. In short, the two social-political organisations with the symbol of the Star and Bull's Head respectively, are now more prepared to step forward in prime condition in the 1992 General Election.

Ambition

Watching closely various newspapers, it is visible that two principal steps are undertaken by Golkar to increase the quality of democracy in connection with its determination to win the General Election of 1992. The first one is, the selection of the candidates of Golkar to become their representatives in MPR (People's Consultative Assembly), DPR (House of Representatives), and DPRD (Regional Representative Council). In their efforts in this direc-generation. Through these steps, Golkar can democratic selection, by way of electing and nominating candidates who are considered suitable for the selection process. A number of objective criteria has been used in the selection process, apart from standardised criteria such as achievement, dedication, loyalty and integrity (PDLT=*prestasi, dedikasi, loyalitas dan tidak tercela).* The second step of Golkar is very progressive and daring in giving greater attention (to become their candidates) to women and the younger generation. Through these steps, Golkar can really nominate capable and representative figures.

The meaning of capable and representative here, according to the General Chairman of the Central Board of Golkar, Wahono (1991), is especially measured on the basis of two main criteria, besides the criteria mentioned before. *First,* to obtain a seat in MPR or DPR, the candidates should prossess a solid national outlook, in view of the fact that the Highest and High Institutions of the State have the duty to make national policies. Because of this the capability of candidates becomes the main focus. *Second,* the candidates should have an indepth knowledge of the community of the region they are going to represent. In this way they will be able to "absorb" the aspiration of the community they are to represent.

Other steps to the same end are that Golkar is always bound to take part in the increase of the quality of the 1992 General Election as is stipulated by the GBHN. The determination and the ambition of Golkar to obtain minimally the same number of votes as in the election of 1987, summarises the consistency of its commitment to increase the quality of the political system of Pancasila democracy which is still being developed in the process to become a steady political system in the future "take off" era.

In view of the various steps taken and the preparations made by Golkar so far, it can be easily ascertained that Golkar will win. But this victory will not pass 70 per cent. At the most only about 69 per cent. In the meantime PPP and PDI will increase the number of their voters, but surely they cannot as yet replace the government as is usually the case in a parliamentary system after a general election. Yet Golkar with the ABRI (Indonesian armed forces) added will still be dominant and be in command of the votes in

no uncertain way in the existing state institutions of representatives.

The Desire to Go to the People

The main target of PPP in the General Election of 1992 is to regain "the votes" that disappeared in the 1987 General Election. Therefore PPP has promised to go to "a higher class" with the target of regaining 22.5 per cent of the votes or 90 seats in Parliament in the coming general election. The reason was that in 1987 PPP only obtained 15 per cent of the votes or 61 of the 400 seats in Parliament (DPR-RI). This fact was a decline of 50 per cent of the votes compared with the results of the 1982 General Election (Matori Abdul Djalil: 1991). In the General Election of 1992, minimally half of the lost votes in the General Election of 1987 can be regained so that the minimal target of 90 seats might be obtained.

In the framework of getting these votes, PPP keeps on making reforms, which cover at least four points: (1) the performance of the party; (2) the style of the leadership of the party; (3) the approach of the party; and (4) the facilities of the party (*Kompas,* 19 June 1991). By the performance of the party is meant here that in the coming general election PPP will position itself as a "fresh" party which is not always full of conflicts in the party itself. In short, the party must be able to work together with any group, either social political organisations or the government.

In the meantime the type of leadership to be presented is the one that appeals to the common people so that there is no longer any distance between PPP and society. In other words, the party should really become the instrument of the people's struggle, so that it really becomes the property of the people.

In connection with the problem of candidacy of PPP members for DPR/MPR, some talent scouting has been done by PPP in the regions. Initially at the branch level, then at the regional, and finally at the central level. All these activities intended to prevent various internal conflicts and at the same time to attack the Central Management Board. Whereas the criteria which had been decided among other things covered: experience, education, achievement, and outlook, which refer to the capability of the candidates to anticipate and at the same time to solve existing problems.

Based on all these facts, there were almost no upheavals in PPP in the framework of the candidacy for the general election. In several regions these upheavals could be dampened quickly and in compliance with the family spirit. Therefore, nationally, PPP is more considered as "a sweet baby", which did not cause much trouble and no dissatisfactory commotion was heard on account of their becoming candidates with successive numbers of caps or shoes. But the question is now, was PPP silent for such a long time because it wished so really or because it wanted to adjust to the policy mentioned earlier, or perhaps reversely, PPP does not have any issues at present? This is rather shocking and becomes a great question mark. It can only be answered by the Central Management Board of PPP. Since if it is left to go it alone, the target of obtaining

seats as in the General Election of 1982, cannot be reached, but even then retaining the results of the 1987 General Election will be too difficult. That is the challenge to be faced by PPP in the coming General Election of 1992.

Smiles

As is the case with Golkar and PPP, PDI has also stated to be ready to face the coming General Election of 1992. Even according to Soerjadi, PDI has been preparing itself since 1988. Among the steps taken by PDI during this period are improving the condition of the party covering structure, mechanism, personnel, enthusiasm and perception of the party. And now the organisational conditions are sufficiently stable to face the coming general election. Even the cohesiveness of the party in the Central Management Board of PDI has been often tested to discontinue internal conflicts.

But there is one question, a party that during three general elections, has always been in the last place, does it have the possibility to increase its number of voters in the coming general election, or will it decline just as in the 1982 General Election? Besides, will the bringing to the fore of candidates from outside the PDI (businessmen or retired army personnel) not just cause the removal of the young cadres of PDI?

To answer these questions is not so easy as turning the back of one's hand, certainly one should consider the existing conditions and the facts that are available. However, seen from several assumptions, there is the possibility that PDI will cause a great surprise in the coming general election. This is due to the fact that there are many new voters and the younger generation showing a great sympathy for PDI. Their total number is not less than 17 million. This will willy-nilly help to colour the large steps of PDI in the coming general election. Besides the groups in the lower class society, the poor and those living on the border of the cities are certainly willing to be hugged by PDI, as the consequence of many social problems, such as unemployment, expropriation of their land and the like which are often not settled to their satisfaction. This is all reflected in demonstrations and often brings groups of people to Parliament to forward their complaints.

Seeing these two simple examples, and the support of these two groups of people, PDI is perhaps the contestant that will gain much advantage. Other groups that for a greater part can be expected to support PDI are the young intellectuals (although their number is not too large). About the latter, they have established links with the *Litbang* (Research and Development) of PDI which is headed by Kwik Kian Gie. All these factors will obviously support PDI. Furthermore in several regions such as: DKI (Special Territory of Jakarta), East Java, Central Java, and the Special Territory of Yogyakarta there is a possibility that there will be a rapid increase of votes for PDI.

Presently the internal conflicts in PDI which are always protracting should be dampened in the best possible manner. Besides, the training of the PDI cadres should be pushed ahead continuously. Perhaps, funds are the largest obstacle for PDI, in their efforts to obtain the largest number of votes in the coming general election. But everything goes back to the Central Management Board that will manage everything.

Promoting the Cooperation in the Southern Group

Wisnu Dewanto

AT the Ministerial Level Conference the Non-Aligned Movement in Accra in early September an agreement was reached that Indonesia was to be the host of the tenth Summit Conference of the Non Aligned countries and at the same time become Chairman of the Non Aligned Group 1992-1995. Preparations in the material field and in the area of thoughts, which are of substance for the coming Summit Conference are on the way. These preparations are no easy task as Indonesia is now facing an important international event, among other activities at home such as the General Election, and the General Sessions of the People's Consultative Assembly. To bring forward ideas or at least to formulate old problems in a new form in the forthcoming Summit Conference is not an easy problem for Indonesia, in view of the fact that the Non Aligned Group is now in a period of transition after the end of the Cold War.

One idea that came to the fore in the Accra Declaration and will become the focus of Indonesia's attention in the coming leadership of the Non Aligned Movement will be the stepping up of political and economic cooperation between the developing nations in the context of South-South Cooperation. This matter is considered to be important since the greater number of the Southern Group are members of the Non Aligned Movement. This anxiety about the ever widening abyss between the Southern Group and the advanced and rich industrial countries (the Northern Group) is the main reason. The tendency of emergence of groups of rich countries, such as a United Europe and the Group G-7 which are rated as becoming increasingly protectionist should make the Southern Group anticipate the behaviour of the Northern Countries and try to rely on their own power.

It is the context of this idea that President Soeharto visited five countries in Latin America and Africa (Mexico, Venezuela, Zimbabwe, Tanzania and Senegal) from 19 November until 11 December 1991. The main objective was to prepare himself for being the host of the Summit Conference and at the same time to promote bilateral relations with the countries so as to strengthen the South-South Cooperation. The important momentum in this visit was the presence of President Soeharto as leader of the Indonesian Delegation at the second Summit Conference of the Consultative Group of South-South Cooperation (G-15) in Caracas, Venezuela and at the Summit Conference of the organisation of Islamic Conference

(OIC) in Dakar Senegal.

The international situation which is characterised by the end of the Cold War, disappearance of military pacts and emergence of regional economy in different areas such as Europe, South America and Asia Pacific signify that social economic problems become more and more important compared with military or political conflict. Global interdependence becomes more transparent with the emphasis on efforts to increase the welfare of a certain nation through economic cooperation. In view of this fact, President Soeharto in his speech at the Summit Conference of the Non-Aligned Movement in Beograd in 1989 stressed the need for the Non Aligned Movement to change the orientation of its struggle from political and military aims to the economic field. He said that without this change of orientation the Non-Aligned Movement would lose it special orientation.

The problem right now is that in order to establish this cooperation, the countries of the South face generally various constraints. Scarcity of foreign exchange, facilities for trade, domestic financial resources, a relatively substantial amount of foreign debts, limited export opportunities, and dependence on imports seem to be the visible indications. Efforts to establish cooperation, which date back to the Asian-African Conference in Bandung in 1955 which finally gave birth to the Non Aligned Movement and the Group of 77 are felt to be insufficient. The agreement to mutually extend technical assistance in the form of expertise, training and facilities to be used for common prosperity have only succeeded to a certain extend.

In the attempt to overcome this problem at the Summit Conference of the Non Aligned Movement in Beograd in 1989 a group was set up with the name High Level Group for Cooperation and South-South Consultation with members of 15 countries, not all of which were members of the Non Aligned Movement. From Asia only Indonesia, India and Malaysia were members. Other members were Egypt, Senegal, Zimbabwe, Nigeria, Algiers, Peru, Brazil, Mexico, Argentina, Jamaica, Venezuela and Yugoslavia. The expectation of the sparkers of this idea and the statesmen who were members was that this group would become the catalist and be more effective in the relations between North and South.

The momentum of the second G-15 Summit Meeting in Caracas attended by President Soeharto was expected to become the proper forum, the point of departure for Indonesia to prepare itself as Chairman of the Non Aligned Movement. The agreement of the member countries to maintain cooperation among the Southern countries to become a constructive force in the framework of starting anew the North-South Dialogue could become the barometer in establishing cooperation among countries of the South in the context of the Non Aligned Movement. The agreement in this group could be used as an input to be forwarded in a wider forum like the G-77. These models of economic and technological cooperation among developing countries, which are good and beneficial may be explored through cooperations among the members of this group.

President Soeharto's visit to some other countries of G-15, such as Mexico, Zimbabwe and Senegal besides Tanzania, seems to be complementary to the efforts in establishing and enhancing cooperation among countries of the South. Especially in Senegal

where President Soeharto also led the Indonesian Delegation to the sixth Summit Meeting of the Conference of Islamic Organisation, it was considered as something extraordinary. Certainly the time has come that Indonesia with a majority of its inhabitants being Islam should increase its Islamic solidarity, with regard to the problems faced by Islamic countries. Thoughts of the influence and the place of the Islamic world in global politics after the Cold War and support for the Palestine Nation have become Indonesia's most important perspective in the Summit Meeting of the Conference of Islamic Organisation. This is considered to be important as in establishing cooperation among countries of the South, Islamic solidarity may become one of its supporters, in view of the fact that almost all of the members of the Conference of Islamic Organisation, namely 45 countries are also members of the Non Aligned Movement and G-77.

Furthermore it should be realised that approaching the period of the Indonesian leadership in the Summit Conference of the Non-Aligned Movement, the attention towards the African Continent should be greater than before. Besides, the number of the African members of the Non-Aligned Movement for the greater part are from the African Continent, the African Bloc is generally influential in voicing the decision and formulating political statements and declarations which are issued at the end of Summit Conferences. Political relations between Indonesia and Africa have as yet experienced many obstacles. The East Timor problem for instance, which became a critical issue again after the Dili incident of 12 November last year, appears to have become a source of African criticism against Indonesia.

From the geographical point of view the selection of three different countries in Africa to be visited by President Soeharto seems to have been a good choice. Zimbabwe is a country that is considered to be most clamorous to voice the interests of the African Nations in the international forum. As former chairman of the Non-Aligned Movement in 1986-1989 the image of Zimbabwe in the eyes of the African Nations, especially the black Africans were very good especially in its stubbornness to abolish political "apartheid" and obtain freedom for Namibia. Tanzania seems to be the figure for South and South cooperation, which comes to the fore in the personality of Yulius Nyirere and continues through President Ali Hassan Mwinji who is now in power. Whereas Senegal is the place where the Summit Conference of the Organisation of the Islamic Conference takes place which is expected to promote the Islamic solidarity so as to strengthen the cooperation between South and South.

Owing to the reasons mentioned above, the visit of President Soeharto to Zimbabwe, Tanzania and Senegal is of great significance. It is expected that this visit will change the bad image and the erroneous view of the African States on Indonesia's foreign policy. Besides, Indonesia's consistency in conducting its free and active policy, in resisting all forms of colonialism and in adhering to principles of *Dasa Sila Bandung* (the ten principles of Bandung) can be shown in its behaviour and in the dialogues being held. This visit is also important to extend direct political contacts between Indonesia and the African Countries and at the same time to forward to them proposals to enhance the South-South coopera-

tion as one of the themes of the upcoming Summit Meeting of the Non Aligned Movement.

Prior to the upcoming Summit Meeting of the Non-Aligned Movement, Indonesia must assure many heads of the member States of the Non-Aligned Movement to directly take part in the summit meeting. This is important as at the moment several members of the Non-Aligned Movement are pessimistic about the future of their movement. As receiver of the mandate to lead the summit meeting, Indonesia must as early as possible make concerted effort to cultivate the enthusiasm of its members to feel that they own and obtain benefit of the Non Aligned Movement. To promote the cooperation among countries of the South is not an easy task for Indonesia. A rational attitude is always shown by Indonesia in the sense that the emphasis of the South-South cooperation in the framework of leading the Non Aligned Movement does not mean to disregard relations between Indonesia and other advanced countries individually or in the context of ASEAN.

Domestic Developments in Indonesia: Political and Social

Marzuki Darusman

IN one of the more widely read Indonesian newspapers, *Kompas,* its year-end news roundup identified openness as the primary political issue of 1989. A farewell remark -- perhaps not entirely unintended -- on the eve of his departure earlier in the year by popular former Ambassador Paul Wolfowitz, caused ripples within the Jakarta political community. While giving high marks to Indonesia's economic achievements so far, he expressed the feeling that greater political openness would probably be needed to complement that impressive progress in anticipation of demands for more democratic participation.

The statement was quite quickly picked up by observers and prompted a wide range of responses and further elaboration in a similar vein. A polemic ensued and the issue of openness gradually evolved into a lively national debate. This debate has been underway ever since and has in fact even gained some momentum in the last period. In a recent *TIME* interview conducted sometime early this year in Jakarta, President Soeharto, while responding to a host of questions including those on the succession, alluded to those remarks by Ambassador Wolfowitz as having actually warmed up the matter.

Since the issue of openness came to the fore, analysing and observing Indonesian politics has probably not been quite the same. It has given coherence and logic to the political process as a whole. Up till the point when openness became a public issue, analysis of Indonesian politics tended to focus on institutional interacting of the government. From the point of openness that analysis has acquired a more tangible character. With the new level of openness, Indonesian politics have therefore become easier to analyse and observe while at the same time greater openness is still to be striven for.

It has also led to greater individual accountability as a practical and popular yard-

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stick in gauging the progress or regress of Indonesian democratic processes. It is safe to say that the idea of openness is here to stay.

Against the backdrop of the newly acquired dimension of openness in Indonesian politics and also in view of the present pace of greater equality in international relations, such issues as political succession, the strengthening of democratic institutions, military-civilian relations, generational change, increased political pluralism, changing cultural values, and Islam in public life now present themselves in a totally different light. The significance of these issues is therefore determined by their respective roles in establishing degrees of openness.

While its sociological meaning is self-explanatory, in its political significance, openness relates to the notion of legitimacy as distinguished from legality. Openness brings forth the whole idea of democratic legitimacy of governance. As far as Indonesian politics is concerned, this would then be a major shift in public perception. Legitimacy has now become more political and democratic in nature rather than historical.

The realism and usefulness of such an evolving public perception on openness is based on the assumption that the economic performance remains stable and controllable in its fundamentals. For the whole discussion of openness would only be sensible if it were instrumental in bringing the whole body politic forward on its developmental track.

Thc differing analyses of this matter leaves the question open ended. The point being made here is with greater openness, economic and political development will have to be more interconnected than previously. In thc Indonesian context, thc moment parliament, the primary repository of politics, plays a substantive role commensurate with the powers vested in it in accordance with the constitution, then the interlink between economics and politics is established.

At the same time, however, it is important to bear in mind, that even if the constitution were to function to its fullest extent -- which it will have to as a matter of time and expediency -- Indonesian democracy would still not be identifiable with western models. The functional interlinkage between economics and politics as a basic idea is readily acknowledged. Its varied political-economic manifestations are not easily understood. Because constitutional forms express a people's political-economic philosophy, the state and governmental structures will be characteristic of that nation in its features and mechanisms. However while the basic relationship between parliament and the executive branch is a cooperative one within the bounds of the constitution, the dynamics of institutional competition for preeminence is the most normal course of affairs in the political process of any constitutional democracies. With this background of understanding the discussion of those various issues will then be seen in a more coherent picture in relation to the workings of the political system as a whole.

Political succession -- the issue par excellence -- has of late come into the news again following a spate of statements by party leaders and also members of parliaments on specific public nominations for presidential and vice-presidential candidates in the coming 1993 Elections. This constitutes a new-found boldness within the normally conservative and consensus-prone political establishment and has given a certain lively

relief to the invariably drab political scene. However this may only serve to couch the underlying fact that General Soeharto is definitely seen to be prepared to stand again as a candidate in the presidential election for a fifth consecutive term, if only because of the fact of incumbency and the obvious absence of a categorical denial to the contrary.

The government, i.e. the President, maintains that all presidential candidate related issues should only be discussed publicly in 1993 within the confines of the MPR (the People's Consultative Assembly that elects the president and vice-president) in their sessions of several-odd days. However, in the meantime statements to the effect, such as by the Coordinating Minister for Political Affairs and others, that discussion of these matters even now before the MPR meetings, is not entirely out of order, have fuelled the debate.

It is generally presumed that if anything towards a consensus of political stances in the coming MPR is to be reached, then the political parties will also have to be brought into alignment with the implicit desire of the President to seek a rounded consensus of support for his candidature and for his choice of Vice-President. This, in spite of the fact that in the *TIME* interview, President Soeharto had allowed for the possibility of the choice of more than one candidate.

In terms of institutional development, i.e. activation of political processes, however, the recurring interest in political succession has prompted parties to position themselves in the public's mind, relating all this to how their rating in the coming parliamentary elections would fare in 1992. While General Soeharto's re-election will probably be smooth sailing, the ready support of the parties this time around might well have to be more carefully managed in comparison to the previous four terms when their endorsement came about quite smoothly. Nevertheless, the process of institution-building has reached a point where party manoeuvres are seen as legitimate manifestations of the system's working rather than externally generated ideological pressures on the system.

The last presidential election, however showed that unreserved support had already begun to wear thin. The ABRI reluctance to accept the President's choice for Vice-President indicated that a challenge could be and was, in fact, mounted in an indirect way, if only to underscore the dissatisfaction rather than to effect a displacement of his choice outright. The fact that the former Chairman of PPP (United Development Party/ Muslim Party) Dr. Naro was able to get as far as he did in throwing the whole election process slightly off-balance by coming up as his own party's nomination for Vice-President, also showed how the parties would react if the legitimate opportunity presented itself. ABRI's rejection of Lt. Gen. Soedharmono, although an army figure, probably lay in the perception that he was not expressive of ABRI representation, i.e. a non-military candidate. How far therefore that could be taken to mean that that candidature was in fact seen as a civilian nomination remains to be analysed.

If for all practical purposes, however, President Soeharto's re-election by the MPR -- either through a consensus or otherwise -- is considered a foregone conclusion, then obviously the number two slot becomes the most crucial matter at hand. This problem is highlighted in relation to an ongoing analysis of a so-called mid-term scenario that postulates President Soeharto as not serving out

his full 1993-1998 term for a variety of reasons. While this theory might plausibly explain the sequence of a certain course of events, based on the constraints of age and continuous governance of more than twenty-five years and in light of the mood for change, such a way of looking at things would have to be qualified in very important respects.

First, age and continuous rule have never been constraints for political perpetuity in the gerontocratic-disposed Asian context. In the case of Indonesia, the one is the example of President Soekarno's twenty year long regime. *Second,* if these factors were grounded in political values of prudent governing, then they would have to be generally applicable as part of a set of leadership criteria. In this particular case, however, these criteria would only be referred to after the fact and not in the process of the formation of the leadership. These factors can therefore be seen as contingent on the more fundamental realities of power.

Thus, the mid-term scenario does not hold ground. Nevertheless, the fact that it was perceived to have some plausibility expresses the prevalent mood of a wide section of the public on this matter. At no time in the past has the issue of political succession preoccupied the public's attention as it does today.

In so far as political succession is viewed not in terms of alternative candidates but more in terms of conscious efforts to bridge this transition period -- not so much political as managerial -- from a Soeharto to a post -- Soeharto era, that issue will have to be understood as symbolic of an extremely complex set of ideas and circumstances. The primary parts of that process would be the transfer of power and the change of generational leadership.

The political agenda in the coming years would then be to effect both processes, transfer of power and change of generational leadership, in a way least disruptive to the overall stability. In fact a coherent scenario of political succession will become imperative for continued dynamic stability. Under the circumstances, to start with a change of generational political leadership would be the most feasible, followed by an orderly transfer of power constitutionally. This would certainly require the widest consensus among the public and political groups to achieve, which would make it into one of the most democratic of issues. In turn, the most formidable skills of negotiation will be needed to bring this about. To be able to craft this process of political succession will depend ultimately on the clearest signal from the President and its general success would hinge to a large extent on the public's political goodwill.

In this connection, political goodwill would also be shaped by the effective functioning of the country's democratic institutions to which the public can readily relate itself. During the past two and a half decades, democratic institution-building has led the executive brance to emerge as the most effective state institution. This is wholly in line with the constitution, which provides for a strong governing body. Neither is this fact to be greatly lamented. On the contrary, the opportunity to implement the strong legislative body prescribed in the constitution in a consequent manner does presents itself. While the political will is there, the practical merits of a strong and democratic legislative body may not be immediately evident or appreciated. This would explain why the slug-

gishness of the process is attributed to unwillingnes to allow the development of the parliament. However, this state of affairs may be only a temporary condition with the gradual realisation on the part of the executive that greater credence is accorded its policies if they were to be sanctioned by a strong and democratic parliament.

In the meantime, apart from its internal workings, democratic institution-building will also have to contend with the stark realities of power. The most coherent and identifiable sources of political power in the Indonesian setting are the ABRI, by virtue of its coercive force, and Islam in terms of its vast number of adherents. While both together with PDI and Golkar form the parliament, ABRI and Islam exert their presence beyond their parliamentary functions. This is the point where institution-building probably intersects with real political processes in society. In other words, parliamentary assertiveness stands in inverse relationship to the extent of political significance that is given to ABRI and Islam. In the long-run, this condition would not necessarily mean a latent weakness in the process of strengthening democratic institutions. Rather, the further the process of democratic institution-building is pursued, the lesser need -- and room -- there is for conflicts to be resolved through force or undemocratic means.

As regards military-civilian relations, this has tended to be identified with ABRI-Islam relations. This is not to detract from the equal importance of all religious groups in society in upholding the basic beliefs of Indonesian democracy *(Pancasila)* as a matter of official state philosophy. However, for analytical purposes, the political relationship of military-civilian relations has been narrowed down to a practical relationship of a more cultural nature. It is ABRI-Islam relations that define that particular relationship in a manner that aims at avoiding conflict, thereby depoliticising the relationship altogether. This has led to an absence of politics. Neither would this signify that the running of the country has been reduced to a continual appeasement of the two major power bases, although it is an undeniably important part of it. Over the years an alternative power base has developed in the Presidency. Nevertheless, the depoliticised state of affairs has transformed politics into a set of social relations and procedures in the resolving of conflicts. The political implications for democratic development are basic in that ABRI-Islam relations have put on hold the further transformation of a cultural-religious majority in Islam into a functional and political majority. It is a basic tenet of Indonesian democracy, grounded in the family principle, to not recognise majorities or minorities in any sense except with respect to electoral results. Any majority-minority division would invariably manifest the primordial basic traits of Indonesian pluralism, thus leading to potential conflict. This is probably an outdated perception and is debatable in view of the resurgent growth of new groupings during the past five years mostly as a result of economic development efforts. By keeping the majority-minority function in abeyance, for example in parliament, a measure of unity and stability has been secured. At the same time it has denied politics of a practical tool in political decision making, although in the absence of politics that would be a moot point. However, this fundamental problem is not perceived in terms of trade-offs. The other method, consultative decision making, which may be no

less than any other political instrument in its effectiveness, is therefore the primary feature of Indonesian politics at this point.

The other aspect of military-civilian relations, the implementation of the ABRI's dual-function, has seen a lessened security presence of the military in the evolution of the KOPKAMTIB (Command for Restoration of Security and Order) into the BAKORSTANAS (Coordinating Body for Developmental Support) within the recent few years. This has however, been supplemented by a new policy of selective review *(litsus)* of those that may be reasonably deemed to have been exposed and susceptible to ideological influences due to their history or circumstances. The policy, which was introduced in parliament by General Try Sutrisno, Chief of the Armed Forces, was thoroughly debated. It does go beyond the practice of establishing non-involvement in the communist coup d'etat of 1965 and enters a widening policy of political ideological affairs. While the inherent subjective features of the policy have been minimised, the recent flurry during the drawing up of the new (1992) parliamentary candidates list evoked disquieting feelings as to how the implementation of that policy in selecting political figures would effect the atmosphere of openness. While the press coverage may have perhaps been rather excessive, as there was no new departure from the official requirement for statement of non-involvement in the G.30.S. Movement, the renewed seriousness in carrying out the policy cast some doubts as to whether or not it was ABRI's real intention to gain political ground in the run-up towards the presidential elections. One should not read too much into it other than to recognise the public reaction as a slip-up in ABRI's public relations.

The ABRI itself has been in the forefront in advocating greater political openness. Through its more vocal members in parliament, it was able to push to the surface such sensitive issues as land problems, inequitable distribution, redress of injustices, conglomerates, corruption, accumulation and misuse of power and a more pronounced parliamentary role. It even progressed so far that the Chief of the Armed Forces felt obliged to chide a few of their own members publicly for having gone beyond the perceived limits of acceptable openness. Meanwhile, not to be outdone by the ABRI faction, Golkar in parliament also felt that it had to fly the political flag of democracy for its track record if it was to get anywhere in the coming parliamentary elections. On their own initiative, with the tacit concurrence of the faction leadership, a number of Golkar members took it upon themselves to adopt what was termed a constructive critical stance towards the government. The most recent expressions of this new trend were, among others, the disagreement on electricity price hikes, the falling out on the issuance of newspaper licenses and the unanimous stance of the parliament in receiving the so-called Petition 50 group of dissidents. These have served to "galvanise parliament into life", to quote the term used in a Far Eastern Economic Review article describing some of the events at that time.

Taken together all this could probably be interpreted as reflective of the prevalent mood for generational change in the country. Relating it further to the wider picture, increased political pluralism and qualitative change is also unfolding. As mentioned, the number of nongovernmental-organisations that have cropped up in these last years will in due time change the primordial pluralism into a functional pluralism. The emergence

of new perceptions of human rights and environmental awareness indicate that deep-seated changes in cultural values are taking place in how people perceive their own worth in their dealings with each other and with nature. Equally the activation of such groups as Forum Demokrasi, the Solidarity Labour Union, and the most recent one, the Forum for the Purification of the People's Sovereignty, show that democracy is no longer merely seen as confined to the mechanical workings of constitutional institutions but, as a way of life, encompassing the whole of society.

Finally, a note on Islam in public life. The observation of Islam in Indonesia has generally been focused on gauging the progress of moderating attitudes and acceptance of modernising values. This has come to be seen as the Muslim predicament, both here and worldwide. The relinquishment of the idea of establishing an Islamic state has allowed this moderation to develop in pace with the integration of the Muslim community into the national life. While marginalised groups may be disposed to radicalisation, the main political programme today is the promotion of Muslim values and the formation of a Muslim society within the context of the Indonesian nation-state, based on Indonesian democratic beliefs as enshrined in the official state philosophy, Pancasila. As to the acceptance of modernisation, the most amazing break-through in recent times in Indonesian religious-cultural history has been the cooperation established between the *Nahdlatul Ulama* (NU/Muslim Scholars) and the ASTRA Group. This has subsequently been followed by the Muhammadiyah establishing their own enterprise with similar economic groupings. Two points were thus scored by hurdling over the centuries-long ingrained psychological barrier between the Muslim majority and the Chinese-Christian minority. One man from that majority, Mr. Abdurrachman Wahid, with a vision shared by his minority compatriots, made all the difference.

Political Islam is channelled through the PPP (United Development Party/Muslim Party), whereas the MUI (Indonesian Council of Ulamas) serves as the institutionalised forum for communicating religious-developmental related issues with the government. However, the other side of the Muslim predicament, their vulnerability to political engineering, became visible when a government initiated effort led to the founding of ICMI (Indonesian Muslim Intellectual Association) aimed at expanding Muslim participation in public life. With no apparent lack of channels perceived by the Muslim community, it would seem that the government stood to gain more in terms of access to the Muslim community than vice versa.

The Muslim public reaction during the Gulf crisis was quite measured under the circumstances. While definitely siding with Iraq, the overriding national interest was never lost sight of. Although the government was obliged to moderate its policies, there was never any indication that future Indonesian foreign policy would be geared to appease these sentiments.

In conclusion, democratic development is still contingent on stable economic performance. With greater openness, democratic development will become more autonomous. The mood for change is defined generation wise and does not seem to be sought merely for its own sake. Social and political groups are quite restrained in their demands for openness and realistic in recognising that change will have to incorporate both the old and the new.

1992
General Election Prospects

Ibrahim Ambong

Introduction

NEXT year Indonesia will, as already known, organise general elections, which is the sixth during the New Order era. Thus it can be said that for more than two decades the general elections have become a regular mechanism in the political system of the Pancasila Democracy. This is the achievement that this country has made in its effort to advance its political development. It seems, however, that this development still has to be stepped up, particularly in terms of its organisation. Until the 1987 General Election complaints were still heard on the need of increasing the quality of the organisation of the general elections. The People's Consultative Assembly (MPR= *Majelis Permusyawaratan Rakyat)* Decree No. III/MPR/1988 also stipulated that every five years elections should be held and efforts should be made to increase the quality of general elections.

As in the case of previous general elections, the forthcoming 1992 General Election will use a proportional system, i.e. electing the people's representatives by functioning one of the three symbols of the OPPs *(Organisasi Peserta Pemilu* or the General Election Participating Organisations). The three OPPs are the United Development Party (PPP=*Partai Persatuan Pembangunan*), Functional Group (Golkar=*Golongan Karya*) and the Indonesian Democratic Party (PDI=*Partai Demokrasi Indonesia*). It is expected that the people's representatives will then represent the aspiration and interest of the people in the people's representative bodies -- House of Representatives (DPR= *Dewan Perwakilan Rakyat*) and the Regional House of Representatives (DPRD= *Dewan Perwakilan Rakyat Daerah)* a

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number of the Armed Forces of the Republic of Indonesia (ABRI) faction who are appointed, given the fact that the results of the previous general elections have not adequately enabled people to fight for the aspirations and interests of society to a maximum. Meanwhile society is increasingly aware of justice and democracy as a result of the development in education, economy, and technology, and the rapid flow of information. Hence, to realise the aspirations and interests of the society will be the main objective of the 1992 General Election, as leading towards the second Long-Term Development Programme.

This paper will consider the significance of the 1992 General Election for the progress of political development in Indonesia. To this end, the discussion will focus on the development of the general election since the first general elections during the New Order era up to the 1987 General Election. Further it will also look at several issues in society that may influence the course of the forthcoming 1992 General Election. Ultimately, those points are meant to show the trends of voting in the coming general election.

Some Experiences from Previous General Elections

One way of understanding various tendencies that are likely to happen in the forthcoming 1992 General Election is by observing the course of previous general elections. The past four generasl elections were perpetually won by Golkar; and much has been written on it, particularly by political analysts.

A keen observer will be able to see that in any general election there are constant and variable factors. *Firstly,* the most important among them is the fact that Golkar's victory is due to its close relations with the bureaucrats and the Armed Forces (ABRI). It is therefore natural that Golkar often claims that the success in development programmes is to be attributed to Golkar's struggle. Besides, Golkar's victory is, compared with its competitors, due to its better preparedness in terms of both funds and campaigners.

Secondly, in its campaign Golkar often brings forward facts on the activities of Golkar in giving aid to Moslems. Considering the fact that the majority of population in this country is Moslem, it is indeed natural for Golkar to make them a campaign target. Therefore Golkar was unavoidably forced to compete against the Islamic parties in the 1971 General Election or PPP in the following general elections. Islam-related issues have proved to be capable of drawing votes for Islam-based OPPs, thereby they are could win some electoral regions at the provincial as well as at the regency levels, as shown in the 1977 and 1982 General Elections. The superiority of the Islam-based political party (OPP) had peaked in the 1977 General Elections since it won the votes in the Special Capital Districts of Jakarta (DKI Jakarta). One of the strong charms that allowed this OPP to gain the majority of votes was the *Kaabah* symbol that is sacred to the Moslems. Meanwhile, the Moslem Golkar supporters were 'clumsy' in facing those competitors.

The Islam-related issues in the campaigns reached its height during the *Lapangan Banteng* incident in the 1982 General Election. This incident has proved that campaign methods exploiting primordial sentiments could lead to destructive results. Conse-

quently, Law No. 3/1985 and Law No. 8/1985 were promulgated, stating that Pancasila was the sole principle for political and mass organisations. With those two laws in force political organisations became increasingly open and individual. They are open in the sense that their membership is not based on race, ethnic group, or religion; and that they are individual means its membership which is not based on mass-organisations, since the latter still has the possibilities of exploiting characteristics in organisation such as unified activities, function and religion or belief in the Almighty God. These two laws formed the bases for the 1987 General Election as a consequence of these laws, PPP had to adopt the star as its symbol.

The 1987 General Election witnessed an atmosphere that was different from those of previous general elections.[1] Religious issues began to wane, there was no longer any "war of Quran verses" as seen in previous general elections. However, the Moslem group was still considered an important target by the three OPPs. It was therefore not surprising that religious leaders took part in some Golkar campaigns. On the other hand, PDI took advantage of the fact that Pancasila has been the sole principle for approaching the Islam adherents, as mentioned in its radio-broadcasting campaigns. The campaigns with Islam issues had resulted in a more peaceful situation as compared to the previous campaigns that caused violence. Thus, it can be said that the Islamic issue was no longer the main theme in the campaigns or the main claim of PPP. As a consequence, this had brought about a sharp decrease in the number of votes for PPP in the general elections. Besides, NU's drive to drastically reduce voters for PPP had made this party suffer more seriously with the star as its symbol. Not even in a single electoral region could the votes be won by PPP as in the case of previous general elections.

Therefore it is reasonable that because of the abating Islamic issues, PPP could no longer be the main competitor of Golkar in vying for traditional voters. On the other hand, PDI seems to give a far different atmosphere. Some current issues brought forward in its campaign, such as the need for increased justice, democracy, and its low profile attitude, have captured the hearts of the youth, particularly in Jakarta. This indicates an important change in the perception of society, as they began to realise the importance of immaterial values for the development of Indonesia. Although the Golkar campaign was far more spectacular because of the support of well-known artists, PDI maintained the support it gained from its voters despite its modisty.

It is regrettable that there has so far been a primordial issue in the campaign, such as displaying Bung Karno's picture. It is difficult to deny that Bung Karno's charm is capable of attracting young voters to support this OPP. Adoration for Bung Karno reflects that the younger generation is still looking for an idol. But an excessive adoration for a person tends to bring about negative effects, since the adorer will only value or exaggerate the achievement of the adored without considering that every human being has also his shortcoming. Unless the voters' admiration is excessive, it will be acceptable, as each OPP has the right of using any means to its programme and

[1] On the 1987 General Election, see Alfian and Nazaruddin Sjamsuddin, ed., *Masa Depan Kehidupan Politik Indonesia* (Jakarta: Rajawali Press, 1988), Chapter IV-VII.

thus gain the support from its voters.

Another new development that was also obvious in the 1987 General Elections was the impartial attitude of ABRI to the three OPPs. This situation, however, did not reduce the number of votes obtained by Golkar. In previous general elections ABRI's support to Golkar made the other OPPs envious. In addition, 1987 also witnessed in the general session of the MPR that for the first time in the history of this body two vice-presidential candidates emerged.

Some Current Tendencies

Some signs of new development in previous general elections have been discussed. Whether the experience in the past will reoccur or an absolute new development will arise will perhaps be the question for those who are interested in the general elections. Among ways of answering this question are: (1) by considering how the general election itself is arranged; (2)by seeing the development that occurs in society; and (3), by observing the preparedness of the respective OPPs.

Viewed from the arrangement of the proceedings of the general elections stipulated in Government Regulation No. 37/1991, there is no fundamental change. Yet, at present there seems to be a desire to improve the general elections by allowing witnesses from each of the OPPs to present at every poll. This is considered as one of the prerequisites for clean and fair general election.

According to this Regulation, the phases of the general elections begin with voter registration; this is followed by selection of the people's representatives candidates, and the appointment of the members of the people's representative body (the parliament). Processions are allowed in the election campaign. The core of the phases of the general elections is presumably the issues that will subsequently be put forward by the three OPPs during the campaign. The ability of an OPP to offer a campaign issue that is capable of attracting the voters is a powerful means to win the majority of votes. This has been proved in previous general elections. Such a campaign issue can only be offered if the OPP understands the aspiration of the voters. Voters can be grouped according to their beliefs, education, age and occupation; and they will accordingly be the campaign targets.

Although it is no longer a dominant factor, the campaign approach towards Moslems must be taken into account due to the same basic principle, the OPPs have. It seems that the approach towards Moslems will be Golkar's concern, because compared with the two other OPPs it has made more tangible contributions to the Moslems. At least this can be seen from Golkar's struggle for the creation of the *Undang-Undang Peradilan Agama* (the Religious Judicature Act) and the *Undang-Undang Pendidikan Nasional* (the National Education Act). Besides, earlier Golkar has already aided in the contruction of mosques. The situation has encouraged PPP to work harder in order to compete with Golkar. PPP must also adapt its programmes to the principles of Pancasila, and not depend solely on religious values. In addition, PPP has to turn to mass-organisations that have other characteristics. So far PPP has approached mass-organisations by means of religious issues. In this case, lessening internal conflicts since the election of its new chair person may help

PPP. Conflicts that often occurred in the past have considerably weakened this political organisation. It is necessary for PPP to promote cooperation among its leaders in order to make its organisational development possible.

Understanding the voters' education is important to understand the behaviour of voters; it is because of the premise that the higher the level of education he gets, the more critical and rational he is in making choices. According to the Central Bureau of Statistics *(Biro Pusat Statistik* or BPS) data, elementary school graduates make up the largest percentage of voters.[2] They are followed by those who have not or have not yet graduated from the elementary school and those who have graduated from the elementary school. Judging from these data, the OPPs do not seem to necessarily offer far-reading programmes that are hardly understood by the participants of the campaign. But the development of socio-cultural life, communication, and transportation has enabled people to increase their knowledge through mass media. Undoubtedly this influences their choices.

People living in urban regions are generally more critical and more rational, since they have more facilities than those living in rural areas. Those who are better educated are also inclined to go to big cities; this result in the decreasing number of educated people in rural areas. In the 1987 General Election, the competition between the OPPs was lower in urban regions. The increase in votes obtained by PDI was high in industrial regions, as seen in Jakarta and West Java.

Concerning age, the number of people in Indonesia between 15 and 39 years far exceeds those over 40 years. The population projection for 1992 shows that 43 per cent of the population will be between 15 and 39 years, whereas 23 per cent the population will be over 40.[3] If, those between the age bracket of 39 years and under belong to the younger generation, it is clear that in the forthcoming general election, most of the voters will be categorised as the younger generation. Thus, it can be estimated that the younger generation will be the main target of the OPPs in their campaign. Therefore, the aspirations of the younger generation should be understood. The subsequent question is how the younger generation perceive the general elections and the three OPPs.

The poll conducted by *Editor* magazine in 1989 on Jakarta's younger generation showed that they are very likely to participate in the coming general elections. About 71.6 per cent of the respondents have expressed their willingness to vote and approximately 13 per cent seemed unlikely to vote. Meanwhile Golkar appears to have secured a large amount of support from the younger generation, namely 47.2 per cent of the total poll, whereas PDI has obtained 24 per cent and finally PPP has gained 16.8 per cent.[4] This finding is shown in the survey on young people in Surabaya carried out by the Research Institution of the Faculty of Social and Political Science *(Lembaga Penelitian Fakultas Ilmu Sosial dan Politik)* of the Airlangga University last year. This survey also shows that Golkar will emerge again as the winner, with 35 per cent of the votes, followed by PPP with 11.4 per cent and PDI

[2]Central Bureau of Statistics, *Statistik Indonesia, 1989* (Jakarta: BPS), 62-63.

[3]*Ibid.*, 42-43.

[4]*Editor* (26 Agustus 1989): 12-22.

8.57 per cent.[5] From the result of this research it is interesting to see the ratio of the votes obtained by PPP and PDI among those that are voting for the first time, namely 11:11. Meanwhile the number of votes obtained by Golkar is lower among these first time voters, namely 33.33 per cent. If this research is valid, it can be said that PPP will suffer another significant loss of votes. In the previous general elections, PPP was able to equal Golkar in this region.

There is obviously an increasing tendency among the younger generation not to elect; they are usually known as the "White Group" *(Golput=Golongan Putih).* The polling carried out by the *Editor* Magazine shows that this "white" group account for 8.45 per cent of the total respondents.[6] On the other hand, the survey carried out in Surabaya shows a larger number of potential *Golput,* namely 15 per cent of the total poll. The average of those two rates will be about 11.7 per cent. This number is even higher compared with the *Golput* in 1987 (8.7 per cent) and in the previous general elections.

The growing number of this *Golput* has given rise to the government's anxiety. President Soeharto himself has appealed to society not to become *Golputs.*[7] The appeal is indeed necessary, because a high number of *Golputs* can be considered as the result of the less successful political development. For advanced countries the existence of the "white group" is not likely to pose problems, but for developing countries such as Indonesia it is a very serious problem.

There are some reasons that explain the behaviour of the *Golput* among the younger generation, among others the younger generation perhaps feels that there is not much to gain from the general elections themselves. It may also be due to their lack of attention to the political development of Indonesia. In 1971 *Golput* was more influenced by the political development at that time. This does not mean that the inhabitants of rural areas do not know the existence of *golput.* In some village-head elections *(pilkades=pilihan kepala desa)* there are often some empty boxes, which reflects that some village-head candidates are not favoured by society. The distinction between *pilkades* and general election *(pemilu=pemilihan umum)* is that in *pilkades,* the voters elect a person, whereas in general elections they only elect a symbol.[8] The *Golput* attitude is not only caused by disappointment with the political system, but also by the economic decline of a person. The social gap that is at present much advertised may also become a factor in producing the *Golput* attitude. Poor people do not know much about economic matters. For the poor, their decreasing income, amidst abundance, can cause disappointments. In such a situation they may accordingly become apathetic towards the elections. The previous general elections have shown that the approach towards *wong cilik* (proletarians) adopted by PDI had generated a lot of sympathy. Regrettably, PDI did not take further steps of the issue following the elections. Hence, this gave rise to the disappointment of its voters and eventually drove them towards a *Golput* behaviour.

It is also in this context that the society's perception of employment opportunity may

[5] *Tempo* (24 November 1990): 23-24.

[6] *Editor* (29 December 1990).

[7] *Editor* (29 December 1990).

[8] Concerning *pilkades,* see the article of Adig Suwandi, "Pesona Demokrasi Melalui Pilkades," *Suara Pembaruan* (25 January 1991).

influence for the behaviour of the voters. The poll on the Jakarta young generation carried out by the *Editor* Magazine shows that for this generation the grave challenge in the future is job opportunities. This perception of the young generation is perhaps influenced by the feeling of insecurity about the future. The 1989 data of Central Bureau of Statistics (BPS) showed that out of the registered 961,800 persons looking for employment, only 127,293 got a job. At the same time, the number of available job was 180,301. Regarding the ratio between demand and supply, the percentage of the labour intake relatively is high, but it makes up only 13.23 per cent of the total number. East Java is a region with the largest number of job seekers.[9] However, the number mentioned earlier is only small compared to the total population of Indonesia. So far the number of the unregistered job seekers is unknown. Such negative issues may no doubt decrease the number of votes obtained by Golkar, because so far this political organisation has been considered close to the government. But it seems that the influence of such issues can be reduced, as the government itself is well aware of that possibility. This is indicated in President Soeharto's appeal to set up cooperatives supported by wealthy entrepreneurs in accordance with the government's efforts to make more job opportunities.[10]

The Role of DPR (Parliament)/ DPRD (Regional Legislative Body)

With an increasingly higher tendency towards *Golput* behaviour caused by the above mentioned problems, it is time now for each of the OPPs to explain its development programmes to the public. In the past OPPs made many promises but failed to realise them. As the representatives of people, they did not fight for the interest of society through parliamentary means to the maximum. Such hope can only be realised if the people's representatives have a high ability to understand the aspirations of the public and are capable of finding a way to fight for them. As publicly known, in the past many of the candidates for people's representatives who took their respective seat in the Parliaments were mostly related to the leaders of the political organisation.

Another weakness of these people's representatives was the fear of being recalled. People's representatives who really wanted to fight for the interests of society sometimes hesitated to move, for the fear that they would come into conflict with the leaders of the political organisations. It this happened, then they would lost their seats in the parliament.

Such situations clearly can be observed in the regional House of Representatives (DPRD). Complaints of society that should be lodged with the DPRD were conveyed to Parliament because of this situation.

The Position of the OPPs

The 1987 General Election was characterised by fewer physical clashes among the OPPs. For the next general elections this situation may continue, because Pancasila has become the sole basic principle for political organisations *(orpol)* and mass-organisations *(ormas)*. Another reason is the

[9]Central Bureau of Statistics, 88-89.

[10]*Tempo* (14 April 1990): 22-31.

abating issues on exploiting primordial sentiments, such as the Islamic issue. It will be different if primordial sentiments reemerges in a new form. These sentiments will diminish only if the public has grown critical and rational in evaluating every OPP.

If the assumption mentioned above can be accepted, willingly or unwillingly, each OPP has to adjust its campaign to those developments. In the theory of political development it is often quoted that society will always develop in line with the democratic political system.[11] As evident in the previous general elections, the campaign themes or issues are a powerful means for obtaining the sympathy of the voters and will give value added to the OPP concerned.

The campaign that is full of programmes offered by each of the OPPs will create an atmosphere which is far from physical violence. In a balanced atmosphere, where freedom is exercised in campaigns and order is maintained, ABRI will take a rather neutral or balanced posture towards the respective OPPs.

[11]See Leonard Binder, "The Natural History of Development Theory," *Compared Studies in Society and History* 28, no. 1 (1986): 7.

Conclusion

As discussed earlier, the next general elections will show some tendencies. Due to experience in six previous general elections since the beginning of this republic, it is most likely that society has relatively been matured to enter the 1992 General Election.

It is widely estimated that the younger generation, many of whom have been born since the existence of the New Order, will be the target of the OPP's struggle. Their perceptions and attitudes will partially determine the course of the next general elections. The likely *Golput* attitude may diminish if the OPPs are able to implement their programmes and not just make promises. The programmes the public wants are without doubt those that are related to their daily needs. It is time for the OPPs to avoid exploiting primordial sentiments in the election campaigns. Accordingly, qualified representatives will also encourage citizens to participate in the general elections. On the other hand, candidates who have family relations with certain OPP leaders will weaken the intensity of participation.

Those are some possibilities that may happen in the next general elections. However, the same real situation will most likely continue to exist after the general elections are over.

Political Issues of the Nineteen Nineties and Their Influence on the Party System in Indonesia

Riswandha Imawan

CLOSING the decade of nineteen eighties, the Indonesian nation faces an important phase in its effort to realise a just and prosperous society based on Pancasila. This phase is the take-off stage of the economic development that essentially brings about change in the social relations pattern, from the agrarian to the industrial characteristic. The pattern of relations so far dominated by a horizontal line -- more accentuating ethnic feelings -- begins to frequently touch a vertical pattern -- more accentuating group feelings that is particularly based on economic classes.[1]

These cross-cutting affiliations and cross-cutting interests have become more and more complex in the nineteen nineties. Considering the fact that political parties are born on account of differing interests in society, this complexity will greatly influence the number of political parties and the pattern of competition among them. This complexity will in turn influence the forming of the party system in Indonesia.

Party and Party System

The general approach to analysing political parties is to see conflicts as the essence of politics.[2] Parties are products of democracy. The existence of parties is an indication that there is a difference of opinion in society. The larger and the more complex the existing difference of opinion, the more heterogeneous the desire and demand of society, the more parties are needed. This thesis is not fully correct. It is impossible to

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[1]S.N. Eisenstadt, *Social Differentiation and Stratification* (Glencoe, Il.: Scott, Foresman and Co., 1971), 160-166.

[2]The figure of this opinion is E.E. Schattschneider, *The Semi Sovereign People* (New York, N.Y.: Holt, Rinehart and Winston, 1960).

have a million interests represented by one million parties. What is referred to by Durkheim as *Collective Mind* and *Collective Consciousness* make congenial people willing to cooperate. From this viewpoint, it can be understood that parties are in fact means for simplifying existing conflicts in society.

But the existence of political parties alone is not enough as a measure for calling a state democratic. Equally important is that parties compete in free general elections for placing their representatives in government institutions.[3] It is the number of parties, their interaction and competition that generate a party system.

A party system is not a permanent product that will not change. The system will change following both internal and external factors. Sartori, for example, put forward a thesis that the party system parallels the development of society from traditional to modern forms. Two main obstacles that are used as frame of reference, that are able to move the evolution of the party system, are the strong role of the ideology and the heterogeneity of society. Naturally society will move in the linear dimension of the party system: Atomised, Polarised Pluralism, Moderate Pluralism, Two-Party, Predominant Party, Hegemonic Party, and finally Single Party Systems.[4]

There are two extreme points in Sartori's linear dimension. In the traditional system, the degree of awareness of national ideology is still very low, but the group ideology is very pronounced. The result is that the degree of heterogeneity is also very high. This condition gives birth to an Atomised Party System. At the other extreme, the degree of awareness of national ideology is high, whereas that of the group ideology is low. Politically the heterogeneity of society is low. This gives birth to a Single Party System.

It turns out that this linear view is not completely right. Like a pendulum, initially it does sway from the Atomised to the Single Party System. But the modernisation current causes the pendulum to move to the centre and stops at the Two Party System. Why? Because modernisation gives birth to rational voters causing people to take the "agree or not agree" position.[5] Therefore, many political scientists view the Two-Party System as the most viable one in exercising democracy.[6]

To developing countries (including Indonesia), the scenario mentioned earlier does not apply. This is due to the fact that modernisation efforts are fully made by the state so as to provide the government with the widest possible opportunity to interfere in political parties' activities. The intervention has directly influenced the nature of competition among the existing parties and is very decisive in determining the "direction of the sway" of the party system's pendulum.[7] This intervention may "prevent" the modernisation to move the pendulum to

[3]Leon Epstein, *Political Parties in Western Democracies* (Princeton, N.Y.: Transation Books, 2nd printing, 1982), 362.

[4]Giovanni Sartori, *Parties and Party Systems* (New York: N.Y.: Cambridge University Press, 1976).

[5]Anthony Downs, *An Economic Theory of Democracy* (New York, N.Y.: Harper and Row, 1957), 96-98.

[6]Epstein, 1982: 361. A similar view was also expressed by Anthony King, "Political Parties in Western Democracies," *POLITY* 1, 1969.

[7]Riswandha Imawan, *The Evolution of Indonesian Political Party Systems: 1900-1987* (Dekalb, Il.: Northern Illinois University, Ph.D. Dissertation, 1989).

the position of the Two-Party System. It follows that a single party system may as well be formed.

Apparently the illustration above has rightly described the evolution of party systems in Indonesia. Government's intervention began concurrently with the introduction of political parties in Indonesia in the early nineteenth century. This may be due to the state's ascendancy which has hampered the establishment of a civil society. The modernisation effort motivated by the state has brought about the emergence of political parties, which was also mobilised by the state.[8] Hence it is hardly possible for a political party in Indonesia to become independent, in the sense that it does not rely on the government especially in funding its activities. Political parties so far have always been "nursed" by the government. As a consequence the government most easily intervenes into the party's affairs.

Although the government could always intervene into the political parties' affairs, it does not follow that the party system in Indonesia is static in nature. The November 3, 1945 Government's Decree accompanied by the still strong ethnic sentiments and the use of liberal democratic principles has resulted in an Atomised Party System. Not less than 29 parties and hundreds of other splinter political groups took part in the 1955 General Elections. Soon after the 1955 General Elections the small parties (gaining less than 2 per cent of the votes, such as PSI - *Partai Sosialis Indonesia* or the Indonesian Socialist Party), made a merger with another party in order that their voices could "be heard" in the political system. The number of parties decreased (but heterogeneity remained high) creating a Polarised Party System. When Bung Karno (then Indonesian President) brought forward his concept on *Front Nasional* (National Front), eliminated MASYUMI *(Majelis Syuro Muslimin Indonesia* or Council Indonesian Moslem Association) and PSI, and put as condition the approval of Bung Karno's Political Conception on the eve of the 1950s Indonesia's policy was in fact marked by a Moderate Pluralism Party System.

At a glance one gets the impression that a Two-Party System has never been adopted in Indonesia. However, one could feel the mechanism of the two-party system[9] during the *Demokrasi Terpimpin* (guided democracy) era; although at that time some people believed that Indonesia adopted a "Two and a Half" party system. Although no more General Elections were held after 1955, there were only two political forces that had direct access to government performance; namely, the Armed Forces of the Republic of Indonesia (ABRI) and the Indonesian Communist Party (PKI=*Partai Komunis Indonesia).*

After the G.30.S/PKI Movement in 1965 only ABRI was practically left to dominate life. As a matter of fact that time the opportunity for the emergence of militarism was widely open. But ABRI, in accordance with its dual function *(Dwifungsi),* did not want to establish a military state and remained respecting the democratic principle. Parties were established again, one of them was

[8]For example, the November 3, 1945 Government Decree, which encouraged the Indonesian people to form political parties.

[9]By a party is meant "any political group identified by an official label that presents itself at elections, and is capable of placing through elections (free or non-free) candidates for public office," Sartori, 1976: 63.

Golkar (the Functional Group) for whose birth ABRI was the "midwife".

Golkar has become a most powerful political machine. Initially, until the 1971 General Elections, although Golkar won with 61 per cent votes, its strength could still be "balanced" by the existing parties. This situation indicated that at that time a predominant Party System had been established, because the combined returns of the votes of the other parties could not equal the votes obtained by Golkar. The logical effect was that Golkar began controlling the centre of the political process in Indonesia, while the other parties were being pushed aside.

The shifting process mentioned above increasingly intensified when approaching the 1977 General Elections. Golkar, as a government party, had the strategic advantage of always winning the general elections.[10] The result was the emergence of a Hegemonic Party System. Initially the hegemonic system adhered to was still of a pragmatic character. However, since 1982, particularly after 1985, the hegemonic party system has shown ideological characteristics. The result was the the general elections in Indonesia have increasingly become non-competitive.

Competition Among Parties has Increasingly Worsened

Competition among parties is the main characteristic of a democratic general election system. The assumption is that the more democratically general elections are held the more competitive will be the OPP *(Organisasi Peserta Pemilu* or General Elections Participating Organisations). However, the emergence of the Hegemonic Party System and the use of a Balanced Representation System in Indonesia's politics has increasingly led to Indonesia's non-democratic general elections.[11]

The maximum percentage of votes in one regency is 100 per cent. Since 1973 OPPs, i.e. the United Development Party (PPP = *Partai Persatuan Pembangunan),* Functional Group (Golkar = *Golongan Karya),* and the Indonesian Democratic Party (PDI = *Partai Demokrasi Indonesia),* have prevailed in Indonesia. If general elections are performed in a fully democratic way, and the result is equal for each of the party, then each party has the opportunity to obtain 33.33 per cent of the votes. But since the 1971 General Elections, Golkar, as a hegemonic party, has always won over 60 per cent of the total number of votes. It stands to reason that PPP and PDI respectively have the opportunity to win only 20 per cent of the votes (from 40 per cent divided by two). However, since the 1987 General Elections Golkar received more than 70 per cent of the total votes. Subjectively I have decided to use the 15 per cent limit. It means that in order to be able to compete, Golkar, PPP or PDI must gain at least 15 per cent of the votes in a Second Level Region *(Dati II* or distric level).[12]

[10]Angelo Panebianco said that the ruling party has a larger opportunity to win the next general elections, because the party can easily compose a political agenda in accordance with real problems that are faced by society. See Angelo Panebianco, *Political Parties: Organization and Power* (New York, N.Y.: Cambridge University Press, 1988).

[11]Data of the results of the general elections of 1971 until 1987 inclusive at the Second Level Regions (Dati II) of the entire territory of Indonesia. Source: Department of Public Administration of the Faculty of Political and Social Sciences - Gadjah Mada University, Yogyakarta.

[12]Particularly for the 1971 General Elections, because there were then 10 competing parties, the threshold limit was 20 per cent.

This is a very simple way of measuring. The OPP winning at least 15 per cent of the votes in one *Dati II,* will score 1.The maximum score that can be acquired by one *Dati II* is 3 (three), namely if each OPP gets at least 15 per cent of the votes. For example, if in Regency "X" Golkar gets 70 per cent, PDI 15 per cent, PPP 15 Percent of the votes, Regency "x" will score three. If Golkar acquires 80 per cent, PPP 15 per cent, PDI 5 per cent of the votes, Regency "X" will score two. And if Golkar gets 90

Table 1

COMPETITION OF OPPs FROM THE 1971-1987 GENERAL ELECTIONS
(Regencies and Municipalities/Number)

Province	1971		1977		1982		1987	
	K	T	K	T	K	T	K	T
Aceh Spec. Reg.	10	0	10	0	10	0	10	0
North Sumatra	16	1	13	4	11	6	9	8
West Sumatra	15	0	14	1	15	0	10	5
Riau	5	1	6	0	6	0	3	3
Jambi	3	3	2	4	3	3	1	5
South Sumatra	10	0	10	0	10	0	8	2
Bengkulu	4	0	4	0	3	1	1	3
Lampung	4	0	4	0	4	0	1	3
Jakarta C.S.R.	5	0	5	0	5	0	5	0
West Java	23	1	22	2	20	4	15	9
Central Java	35	0	35	0	31	4	29	6
Yogyakarta Spec. Reg.	5	0	4	1	4	1	3	2
East Java	37	0	34	3	35	2	28	9
Bali	5	3	3	5	2	6	3	5
West Nusa Tenggara	6	0	6	0	4	2	1	5
East Nusa Tenggara	11	1	4	8	0	12	1	11
West Kalimantan	7	0	5	2	5	2	5	2
Central Kalimantan	10	0	9	1	5	5	0	10
South Kalimantan	10	0	10	0	9	1	8	2
East Kalimantan	6	0	6	0	6	0	5	1
North Sulawesi	7	0	4	3	3	4	0	7
Central Sulawesi	2	2	3	1	2	2	1	3
South Sulawesi	20	3	9	14	4	19	3	20
South East Sulawesi	2	2	0	4	0	4	0	4
Maluku	5	0	3	2	3	2	2	3
Irian Jaya	na	na	2	7	0	9	0	9
East Timor	na	na	na	na	na	na	0	13

Explanation: K = Competitive
T = Not competitive
na = No data available

Source: Processed from the 1971-1987 General Elections Data at Regency/Municipality level.

per cent, PPP 10 per cent, PDI 0 per cent of the votes, the score for Regency "X" is one; because it is only Golkar that is able to obtain the minimum 15 per cent of the votes.

The formulation is as follows: score 3 (three) reveals the existence of competition among the three parties (OPPs), because each has the minimum 15 per cent of votes. Score 2 (two) shows a competition at a moderate level, namely only two parties have obtained the minimum 15 per cent of votes. Score 1 (one) shows that in *Dati II* there is no competition among the three parties. It

Table 2

COMPETITION OF OPPs FROM THE 1971-1987 GENERAL ELECTIONS
(Regencies and Municipalities/Percentages)

Province	1971		1977		1982		1987	
	K	T	K	T	K	T	K	T
Aceh Spec. Reg.	100	0	100	0	100	0	100	0
North Sumatra	94.12	5.88	76.47	23.53	64.71	35.29	52.94	47.06
West Sumatra	100	0	92.86	7.14	100	0	64.29	35.71
Riau	83.33	16.67	100	0	100	0	50.00	50.00
Jambi	50.00	50.00	33.33	66.67	50.00	50.00	11.67	83.33
South Sumatra	100	0	100	0	100	0	80.00	20.00
Bengkulu	100	0	100	0	75.00	25.00	25.00	75.00
Lampung	100	0	100	0	100	0	25.00	75.00
Jakarta C.S.R.	100	0	100	0	100	0	100	0
West Java	95.83	4.17	91.66	8.34	83.32	16.68	62.50	37.50
Central Java	100	0	100	0	88.57	11.43	86.00	14.00
Yogyakarta Spec. Reg.	100	0	80.00	20.00	80.00	20.00	60.00	40.00
East Java	100	0	91.89	8.11	94.60	5.40	72.98	27.02
Bali	62.50	37.50	37.50	65.50	25.00	75.00	37.50	65.50
West Nusa Tenggara	100	0	100	0	66.67	33.33	16.67	83.33
East Nusa Tenggara	91.67	8.33	25.00	75.00	0	100	8.33	91.67
West Kalimantan	100	0	71.43	28.57	71.43	28.57	71.43	28.57
Central Kalimantan	100	0	83.33	16.67	50.00	50.00	0	100
South Kalimantan	100	0	100	0	90.00	10.00	80.00	20.00
East Kalimantan	100	0	100	0	100	0	83.33	16.67
North Sulawesi	100	0	66.67	33.33	33.33	66.67	0	100
Central Sulawesi	50.00	50.00	75.00	25.00	50.00	50.00	25.00	75.00
South Sulawesi	86.97	13.03	39.63	60.87	17.39	82.61	13.05	86.95
South East Sulawesi	50.00	50.00	0	100	0	100	0	100
Maluku	100	0	75.00	25.00	75.00	25.00	25.00	75.00
Irian Jaya	na	na	22.23	77.77	0	100	0	100
East Timor	na	na	na	na	na	na	0	100

Explanation: K = Competitive
T = Not competitive
na = No data available

Source: Processed from the 1971-1987 General Elections Data at Regency/Municipality level.

means that there is only party that is very dominant so that the other parties cannot obtain the number of votes that is needed for competition (15 per cent).

The returns of the counts show that since the 1977 General Elections the "party competitiveness" score obtained by the 301 *Dati II* in Indonesia were increasingly further (away) from the maximum score 3. In the 1977 General Elections the score obtained was "still reasonable", namely 1.91, close to 2. It means that PPP and PDI could still compete "slightly" with Golkar. This score is increasingly declining frm 1,77 (1982) to 1.59 (1987). It means that PPP and PDI were increasingly unable to compete with Golkar.

As shown in Table 1 and Table 2, both in number and in percentage, at the *Dati II* and *Kodya* (municipality) level, the number of regions where the parties (OPPs) were able to compete is decreasing.

Based on Regencies and Municipalities categories, as shown in Table 3 and 4, it is found that OPPs in Municipalities were

Table 3

COMPETITION AMONG PARTIES
(Regencies and Municipalities)

Part of Indonesian Region		1977		1982		1987*	
		Reg.	Mun.	Reg.	Mun.	Reg.	Mun.
Western	Competitive	126	43	116	45	89	42
	Not Compet.	21	1	29	0	58	3
Eastern	Competitive	40	9	24	9	15	6
	Not Compet.	40	0	52	0	80	3

*East Timor Province included.

Table 4

COMPETITION AMONG PARTIES
(Percentage)

Part of Indonesian Region		1977		1982		1987	
		Reg.	Mun.	Reg.	Mun.	Reg.	Mun.
Western	Competitive	85.71	97.73	80.00	88.23	61.38	93.33
	Not Compet.	14.29	2.27	20.00	11.77	36.62	6.67
Eastern	Competitive	50.00	100	31.58	100	15.79	66.67
	Not Compet.	50.00	0	68.42	0	84.21	3.33

more competitive than those in Regencies.

As for Eastern and Western Indonesia, parties in the Western region were more competitive than those in the Eastern region. But among the Regencies in the Eastern region that were in general not competitive, there were still variations. Only about 5 per cent of the number of regencies in the Eastern region scored 2 (competition prevailed) or 3 (very competitive). The rest scored 1 (not competitive). From this rough picture a hypothesis can be made that in the regencies in the Eastern Indonesian region the parties could not compete. Parties had more opportunity to compete in the Western part of Indonesia.

Further, as shown in Table 5 and 6, it is obvious that political party life in Indonesia has been increasingly cornered. Although Table 5 and 6 show that the increase of

Table 5

AVERAGE RATIO OF THE VOTES ACQUIRED IN 1982-1987 BY THE PARTIES (OPPs)
(By Province)

Province	PPP	Golkar	PDI
Aceh Spec. Reg.	- .26	.37	.42
North Sumatra	- .37	.02	1.04
West Sumatra	- .48	.30	1.08
Riau	- .40	.13	.89
Jambi	- .42	.07	1.03
South Sumatra	- .48	.21	1.11
Bengkulu	- .58	.19	.84
Lampung	- .74	.47	.17
Jakarta C.S.R.	- .47	.13	.79
West Java	- .52	.14	.84
Central Java	- .33	.14	.18
Yogyakarta Spec. Reg.	- .37	.15	- .06
East Java	- .45	.26	.20
Bali	- .01	- .01	.46
West Nusa Tenggara	.36	.18	1.07
East Nusa Tenggara	.82	- .23	3.61
West Kalimantan	- .23	- .02	1.59
Central Kalimantan	- .41	.06	1.02
South Kalimantan	- .37	.23	1.79
East Kalimantan	- .33	.09	.44
North Sulawesi	- .21	.01	1.02
Central Sulawesi	- .33	.01	.83
South Sulawesi	.44	.01	2.55
South East Sulawesi	0.00	0.00	.81
Maluku	- .21	- .06	0.00
Irian Jaya	.44	0.00	.96
East Timor	na	na	na
Grand Mean	- .98	.11	.95

Golkar votes is less impressive than those of PDI between the 1982 and 1987 General Elections, it does not follow that the performance of Golkar was bad, because the "space increase" of Golkar to obtain 100 per cent was relatively smaller compared with PDI. Golkar, which acquired 64 per cent votes in the 1982 General Elections, had a "space increase" of 36 per cent in the 1987 General Elections, whereas PDI, which got 7 per cent votes in the 1982 General Elections, had an "space increase" of 93 per cent.

Apart from the "space increase" element, the bad competition compounded by the ambition of Golkar to increase the acquisition of votes in the 1992 General Elections, may increase the political indifference of the masses, the number of *Golput* (the White Group), and may lead to the forming of a One Party System.

Table 6

RATIO OF THE VOTES ACQUIRED BY THE PARTIES (OPPs) IN 1982-1987
(By Regency and Municipality)

	PPP		GOLKAR		PDI	
	Reg.	Mun.	Reg.	Mun.	Reg.	Mun.
Aceh	-.27	-.23	.40	.25	.45	.30
North Sumatra	-.40	-.33	.03	.02	.75	1.56
West Sumatra	-.52	-.43	.28	.33	.86	1.39
Riau	-.32	-.40	.09	.27	.86	.72
Jambi	-.42	-.45	.05	.16	1.04	1.00
South Sumatra	-.52	-.36	.23	.13	1.05	1.36
Bengkulu	-.60	-.51	.20	.17	.55	1.71
Lampung	-.78	-.62	.50	.39	.44	.61
Jakarta	*	-.47	*	.13	*	.79
West Java	.53	-.49	.15	.12	.88	.61
Central Java	-.34	-.26	.15	.09	.19	.13
Yogyakarta	-.42	-.14	.17	.08	-.26	-.03
East Java	-.47	-.40	.32	.18	.23	.11
Bali	-.01	*	-.01	*	.46	*
West Nusa Tenggara	.36	*	.18	*	1.07	*
East Nusa Tenggara	.82	*	-.23	*	3.61	*
West Kalimantan	-.24	-.17	-.02	-.05	1.46	2.42
Central Kalimantan	-.44	-.28	.07	.02	.85	1.89
South Kalimantan	-.38	-.30	.22	.28	1.69	2.66
East Kalimantan	-.31	-.36	.08	.15	.38	.76
North Sulawesi	-.20	-.22	0.00	.03	.66	1.73
Central Sulawesi	-.33	*	.01	*	.83	*
South Sulawesi	.46	-.30	0.00	.14	2.68	1.22
Central Sulawesi	0.00	*	0.00	*	.81	*
Maluku	-.30	-.14	.08	.05	.01	-.07
Irian Jaya	-.44	*	0.00	*	.96	*
East Timor	na	na	na	na	na	na

Current Political Issues

Geertz's Outdated Category

A party is like a restaurant that has so many cooks. Its raw material comes from the opinion and demand of the public continuously gathered by the party, and further "prepared" by the thinkers of the party into one programme, which is ready to be resold to society or to the government. As a restaurant, the party for one has its regular customers. These regular customers are greatly needed for controlling and supporting the life of a restaurant. Such is also the case with a party, it needs permanent support (core supporters) that constantly give support to the programmes that are "sold" by a party. In a democratic political atmosphere, a party is allowed to sell the programme it has prepared whenever it wants. But generally a party sells its ideas in a "large market" that we call general elections.

At the time of the general elections the permanent supporters of a party play a very important role. These permanent supporters must guarantee the acquisition of the minimum number of votes, in order that their party will not become bankrupt because the dishes it offers are not bought by the voters. It will be a great misfortune if these permanent supporters precisely buy the programme sold by another party.

The illustration given earlier is very obvious in the Indonesian society. When in the early 20th Century parties were for the first time introduced, the Indonesian society reacted ambivalently. There were those who were against it, because it may break up the unity of the Indonesian nation. This is reflected in Bung Karno's idea on *Partai Pelopor* (Vanguard Party). But having known the benefit of a party, the Indonesian people suffered from "Party-mania". Not less than 137 contestants, 29 of which were Political Parties, competed in the 1955 General Election. Most of them were formed on the basis of very strong primordial sentiments. As their basis consisted of primordial sentiments, such as feelings of regionalism, ethnicity, religion, etc., existing conflicts were more of centripetal character (centralized in the groups), so that it was difficult for them to cooperate with one another. Hence during the Liberal Democracy period there were no long-lived cabinets.

In a situation as described above, Clifford Geertz conducted a research and drew the conclusion that the Javanese community could be grouped into categories of *santri, abangan* and *priyayi.* As there were very sharp differences of principle, it was difficult for the three categories to work together. Apart from the flaw of Geertz's categorisation, namely the distinction between *santri* and *abangan* on religious basis, as against *priyayi* on social class basis, Indonesian social and political scientists are always caught in Geertz's category syndrome. His book entitled *The Religion of Java* has been as it were changed into *The Religion of Indonesian Social Scientists.*

Parties are categorised *abangan,* which is now informally represented by PDI, *santri,* associated with PPP, and *priyayi,* which is believed to be represented by Golkar. Although there are three categories, Emmerson believes that in fact rivalry occurs between the *abangans* and *santris.*[13] The result

[13]Donald K. Emmerson, *Political Culture and Cultural Politics* (New York, N.Y.: Random House, 1976).

of my observation gives evidence that since the 1977 General Elections there has been an indication of "cooperation" between PDI, categorised as the *abangan,* and Golkar, as the *priyayi* group. It means that if Golkar needs additional votes, the easiest group to plot with is PDI. This indication has caused the *priyayi* position, which should be free to move to the left and to the right like a pendulum, to move closer to the *abangan* group since the beginning of the New Order.

In the 1987 General Elections, there was a new interesting phenomenon: "the votes of PPP, which is categorised as *santris,* fell into the hands of PDI, which is *abangan*". It cannot be denied that PPP, being an Islamic organisation, received the strongest support from *Nahdlatul Ulama* (NU). NU has proved that it is the strongest Moslem organisation. This was reflected in the number of votes obtained by NU in the 1955 General Elections (18.40 per cent) and in the 1971 General Elections (18.67 per cent). Accordingly, after the fusion of parties in 1973 it was strongly believed that NU had been the backbone of PPP since the 1977 General Elections. It was proved that in the 1977 General Elections PPP was still able to acquire 29.29 per cent of the votes, and even defeated Golkar in the special Capital District of Jakarta (DKI Jakarta).

The crisis that occurred within PPP approaching the 1982 General Elections did not appear to reduce the popularity of this party as it obtained 27.78 per cent of the votes. Although there was no empirical evidence supplied nor any research conducted, one may conclude that with NU still prevailing in PPP, it guaranteed that the votes obtained by PPP were relatively stable. But the crisis within PPP that exacerbated forced NU to take a surprising step: "Back to the 1926 *Khittah*" (route) through the Situbondo Congress in 1984. This step was followed by a "deflating" campaign against PPP on the eve of the 1987 General Elections. These steps caused the NU-members to become ' "floating mass" that can be allured by any party. The result was that the PPP "restaurant" lost its regular customers, as was proved by the decrease of the votes obtained by PPP in the 1987 General Elections.

Where, then, did the PPP members go particularly those from NU circles? Until now it is believed that the PPP votes were taken by Golkar. Statistical examination of the result of the 1987 General Elections shows that the votes of the "star party" (PPP) were distributed over Golkar and PDI. But there is an indication that the relationship between the decrease of the PPP votes and the increase of the PDI votes is far more significant by $r = .71$ than the decrease of PPP votes and the increase of Golkar votes ($r = .65$). The result of the regression calculation shows that the decrease of the PPP votes has more influence (beta = .56) on the increase of PDI votes than the increase of Golkar votes (beta = .10). It means that it was PDI that received the greatest benefit from NU's step to go "Back to the 1926 Khittah (route)" and its deflating campaign. PDI, the "bull", really received the falling "star" in the 1987 General Election.

Democratisation

During 1990 a vocal democratisation issue was circulating in society. The government's step by increasingly opening the corridors of discussion on political issues is a logical consequence of modernisation that is being implemented by the Indonesian people. The more modern a society, the more

choices are available for its members, and the more freely they select alternatives in accordance with their needs.

The continuation of the opened corridors of political discussions turns out not to be in accordance with what was illustrated by theory. Indeed, the real condition of the Indonesian society often makes theories that are known in the international world not applicable in their country. According to theory, prices will rise -- one of the main causes is -- if inflation occurs beyond the natural limit. In Indonesia, as is often disclosed, inflation may be called stable, but prices keep increasing. Further, it also happens that the more modern the Indonesian society is, the more political alternatives the society should have. Strangely enough the more modern Indonesians are, the less political alternatives they exactly have. Why?

There are two causes. *First,* the still strong *sungkan* (embarrasment) culture (that in the Javanese language is called *unggah-ungguh)* among the Indonesian leaders. This culture causes people to be afraid of taking the initiatives, although the opportunity is open to do it. It is this cultural ascendancy that has become one of the causes of the difficulty to find a national leader of quality. *Second,* is the close cooperation between bureaucracy and business people. The marriage between these two groups minimise the possibility of realising a democratic basic principle, namely a government from, by, and for the people. The cause is that these two groups control two important aspects in life; bureaucracy controls the political field, while the business people control the economic field. In the 1990s the bureaucracy will be required to take the side of the public interest rather than that of the business people.

Unanimous Resolution (Kebulatan Tekad)

The unanimous resolution that has come to the fore again is none other than a manifestation of how increasingly difficult it is to have a variety of political options. Viewed from the aspect of social development, the unanimous resolution is in fact a set-back in political life. Unanimous resolution drives members of society like horses that are given spectacles. It is a kind of subtle coercion before someone enters a supermarket to buy a certain product. In a modern society there should be no need for such a subtle coercion, for every member of society has already an adequate knowledge on whatever superior product that is apt to be bought.

The widely discussed unanimous resolution signals the need of the Indonesian society to be taught to respect differences of opinion in order that its members will not be afraid of seeing it. Members of modern society will always distinguish differences of opinion from those of personality. Indonesian history has noted that the duumvirate, Soekarno-Hatta, were involved in a very sharp difference of opinion. But personally, both were very close. When Bung Hatta was ill, Bung Karno even made time to visit him in the Cipto Mangunkusumo hospital. This is a case in point that occurred almost 40 years ago. Now, if we still cannot distinguish "opinion from personal affairs", does that not mean that we are going back more than 40 years?

Unanimous resolution is nothing else than a manifestation of one's fear for difference of opinion. The more so if this unanimous resolution issue is always linked with the issue of the need for a national consensus. This is not needed, because national

consensus is already reflected in the House of Representatives/People's Consultative Assembly (DPR/MPR). The members of the DPR/MPR, as representatives of the entire Indonesian society, work on the basis of deliberation and consensus (*musyawarah dan mufakat*). Automatically whatever they decide is a national consensus. If people have to reach another national consensus outside those of two legislative bodies, it means that Indonesia are going back to the situation of the beginning of the New Order, where "street" parliament was still allowed. It means then, that having performed development during a quarter of a century, Indonesians are still not as yet convinced that the Political System of Indonesia based on Pancasila has already been formed.

General Elections Campaign

To elect people's representatives is often a difficult problem in whatever party system. For democracy is basically impossible, because the chosen elite can manipulate the will of the people, and is very illusive, because the bureaucrats are in fact only responsible to (or among) themselves.[14] Indeed, according to the Prosperity Theory of Democracy, the increase of people's prosperity is closely related to the emergence of a democratic government. Improved economic conditions will increase the ability to read and write, increase exposure to the mass media, people become cleverer and therefore more rational in deciding their alternatives, including their political ones. But this opinion is not always right, because the existing political configuration and the local culture turn out to be very decisive in the attainment of a democratic life through the functioning of political parties.[15]

The message of Decree No. 3/MPR/1968 on the improvement of the quality of the execution of the general elections, is consistently implemented by the Minister of Home Affairs Rudini. In order that no physical conflicts will occur and society know their representatives, the Minister of Home Affairs suggested that campaigns be carried out through printed and electronic media, while prohibiting procession campaigns with motor-cycles. It cannot be denied that the Minister's suggestion is excellent. Unfortunately the requirement for the change could not be met.

Political debates through TV are only customarily held in a Single Member Constituency or District System. The Minister of Home Affairs believed that the Proportional Representation System combined with the use of Vote Getters that is now being applied, is still relevant to catch proper people's representatives. However, this is not reasonable. If a debate on TV is based on a District System, the voters already know for certain that it is the debater that will represent them. But if the basis is Proportional representation combined with Vote Getters, people do not know for sure if it is "he" who will represent "us". To make matters worse, the substituting figure is not of the same "quality" as the Vote Getter. For example, Prof. Habibie is the debater on TV, but only as a Vote Getter. It is not yet certain whether the person who will substi-

[14]John Plamenatz, *Democracy and Illusion* (London: Longman Group, 1973).

[15]Guillermo O'Donnell, "Introduction to the Latin American Cases," in Guillermo O'Donnell, Philippe Schmitter and Laurence Whitehead, *Transition from Authoritarian Rule: Prospects for Democracy* (Baltimore: The John Hopkins University Press, 1986).

tute him is of the same level as the Professor. In addition, is there anyone from the PPP or PDI who can equal Prof. Habibie? At least he struggles with daily problems, so that he has more valid informations than those of his opponent debater from PPP and PDI.

The political recruitment pattern of Indonesia must be changed. This vote getter system, is unsuitable, because vote getters have not the personal integrity, which is part of the personal quality of a leader. A person who has personal integrity will always be one in word and deed. Initially vote getters are willing to be "elected" as people's representatives. If they have personal integrity, they should also be willing to be "appointed" as people's representatives. But this does not happen. As soon as election is over, the vote getter withdraws to be substituted by another person of a quality not equal to that of the vote getter.

It is very clear that the use of a vote getter in a general election is cheating the voters in particular and people in general. Since this practice has already lasted for almost two decades, it is proper if in the forthcoming 1992 General Elections the use of vote getters be eliminated. If not, the process of cheating will continue, which -- of course -- does not support the effort to provide political education to the people.

Another suggestion brought forward by Rudini is that the OPPs' figure heads may campaign through other printed media, including radio and newspaper. The Middle Class that is now growing and control the communication network (such as radio) are those born or shaped by bureaucracy. Their life is very dependent on the bureaucratic network. Furthermore, to date the bureaucratic network has been controlled by Golkar. Who will dare to make available their broadcast time for the PPP and PDI campaigns? If this happens, will 25 days change the situation? For, directly or indirectly, mass media, particularly radio and TV, almost continuously "campaign" for Golkar. Although presented through the media in the formal function of Minister, people cannot distinguish the personality of the Minister from his position as Golkar functionary. It has to be kept in mind that the practice of electing is not known at all in our society. Therefore the practice of distinguishing one's function will not be found either.

The alternative is to use printed media, such as newspaper. But as the reading habit of our public is still low, and the distribution is not evenly performed, such efforts will be extravagant. Besides, the OPPs are still prohibited to criticise the apparatus as well as the policy of the government. The result is that they do not have the freedom to raise issues of high political value, that will be able to attract the masses of voters, although campaigns through printed and electronic media are allowed.

Regeneration

Since Indonesia's independence, at least until 1990, only two political generations have been known: the 1945 Generation and the 1966 Generation. Both were born because the real situation at that time enabled them to make experiments, through physical and intellectual wanderings responding to the problems they faced. The 1945 Generation was faced with the problem to secure the existence of the Indonesian nation in the eyes of the world and to create solid bases for the

establishment of a just and prosperous Indonesian society, based on Pancasila. That was also the case with the 1966 Generation. They were faced with the problem of economic dilapidation and total correction of life in a state that deviated from the 1945 Constitution. The challenges faced by these two generations were so real, so obvious, and the situations enabled them to define their ideas, although defying the prevailing current of those eras.

Unfortunately, and this is a weakness of Indonesians, they are often too much carried away by historical heroism. The function of history in the political world indeed justified political power. Wherever it happens, history is often exploited for purposes of vested interests and perpetuating power. George Bush, US President, always states that as an ex-fighter pilot in World War II he can see real threats against the security of the USA. On the basis of the historical justification he always tries to put pressure on the Congress to approve his proposal for additional defence budget.

Exaggerated exploitation of a historical event may give birth to a "Super Star Generation". As long as the Super Star (the '45 Generation) is still in power, it will be difficult to find a new generation of equal quality and born from one and the same political system. Indeed, the 1966 Generation emerged in the history of Indonesia, but this generation is overshadowed by the domination of the 1945 Generation. Consequently, for the potential younger generation, having almost the same quality as the '45 Generation, it is difficult to emerge on the surface.

The relational pattern of the 1945 Generation and the 1966 Generation is of an asymmetric character, where the one (the 1945 Generation) influences the other (the 1966 Generation). This can be seen from the way members of the 1966 Generation emerged on the political stage. They did not emerge by virtue of their own strength, but were pulled up by the charisma of the 1945 Generation. Since the 1971 General Elections some members of the 1966 Generation have been nominated for the legislative body. Formally they were indeed national figures chosen by the people. However, not all members of the 1966 Generation who entered the legislative institution had really come down to have a dialogue with the people, articulating and aggregating the interests of the lowest layer of society. Those who did were the vote getters encompassing predominantly the 1945 Generation. The result was that unlike the 1945 Generation, "the national figures" of the 1966 Generation were in fact not yet properly tested as regards their capacity as well as their capability of becoming a figure. They had only quasi-roots in society.

Conclusion

How can the political issues that have been developing so far influence the party system in Indonesia? As pointed out earlier, Indonesia is now in a position of hegemonic party system of an ideological character. According to Sartori's typology, the Single Party System is just one step further.

The party system is greatly determined by the electoral pattern of society. Allen Back's research shows that the issue factor and the candidate that is brought forward are more influential than one's identification of a par-

ty in deciding his choice.[16] It seems that except Golkar, OPPs are still not yet capable of anticipating developing issues. Aside from the increasing ascendancy of Golkar, OPPs are still "sucking" from the government so that it is difficult for them to perform their function in articulating and aggregating the interest of the masses. It is alarming that being victorious in every respect, Golkar still wants to increase its acquisition of votes in the 1992 General Elections. This is dangerous, for it can cause political indifference of the people. Negatively, they do not want to vote, which can be referred to as *Golput*. Why should they choose if the winner -- even the "number" of the gain is already known? Positively, all of them just vote for Golkar that may lead the other OPPs to become defunct parties.

It is obvious now that unless it is overcome soon, the bad competition between parties and the vocal political issues of the decade of the nineteen-nineties, will be able to drag the party system of Indonesia to a Single Party System in the next two general elections. Government intervention is needed, particularly to curb the ambition of Golkar to increase the number of votes obtained in the 1992 General Elections, in order to avoid the single party system. This possibility should be avoided, because it is not in harmony with democracy.

[16]Paul Allen Beck, "The Electoral Cycle and Patterns of American Politics," in Richard Niemi and Herbert Weisberg, *Controversies in Voting Behaviour* (Washington, D.C.: CQ Press, 1984).

NU's Response to the New Order's Political Development

Kacung Marijan

A preliminary conclusion, observing the behaviour of *Nahdlatul Ulama* (NU), i.e. religious, political and other behaviour, is that it is reactive in nature.[1] This means that its behaviour is a response to events, changes, and tendencies that occur outside NU itself.

One can see -- for the first time -- the reactive behaviour in its birth. Although *Kiai* Ahmad Siddiq, for example, said that the establishment of NU was an effort to institutionalise religious tradition that was already deeply rooted,[2] its emergence should be viewed in the context of its era, namely the emergence of reformative current and colonialism. The reform of Islam that had already entered Indonesia -- in the form of religious organisations such as Jamiatul Khair, Muhammadiyah, and some more --, was considered as a series of "attacks" upon the existing religious tradition. While the Dutch colonial government, besides being repressive,[3] were considered *kapir* (infidels) in traditionalist Muslim circles were no longer neutral in religious affairs, so that not a small number of Muslims chose escapism and withdrawal. They fled to rural areas. Islam, from an urban, then changed into a

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[1]See Sjamsuddin Haris, *"NU dan Godaan Politik Menjelang Muktamar ke-28"* [NU and Political Temptation Approaching the 28th Congress], *Kompas*, 2 October 1989.

[2]K.H. Ahmad Siddiq, *Khittah Nahdliyah* (Surabaya: Balai Buku, 1979), 3, 11.

[3]Not wishing Islam in Indonesia to be influenced by Pan Islamism, the Dutch exerted pressure on the Muslims, of pilgrimage prohibitions included. At the advice of Snouck Hurgronje, Islam was classified into two groups: religious Islam and political Islam. To the first group Hurgronje showed a tolerant attitude, practised as a neutral attitude towards religious life. This tolerance was even considered as a *conditio sine qua non* for the sake of peace and stability. But it was considered not consistent by Muslims. The Dutch gave more attention to the Christians. As for the second group, there was no tolerance, because it posed a threat to the Dutch.

rural phenomenon.

Other forms of reactive behaviour -- just to mention a few -- were the withdrawal of NU from Masyumi, after being disappointed by the fact that the Masyumi leadership was dominated by reformers, who then consolidated themselves as a political party,[4] and the withdrawal of NU from PPP, after being disappointed by the leadership of Naro, who was considered authoritarian and inclined to harm NU's interests.

Such a reactive behaviour eventually put several labels on NU. When it adopted its posture with regard to external changes, such as supporting Nasakom and Soekarno's regime, and accepted Pancasila as the only basic principle, NU was called accomodationist and opportunist. But when it reacted against external changes, that made it vocal like in the nineteen seventies and the beginning of the nineteen eighties, NU was branded as being radical. For the latter Nakamura called it "radical traditionalism".[5] And evaluating the same phenomenon Fachry Ali added that NU was suddenly -- in the New Order era -- taking the position that formerly was held by Masyumi.[6]

This two-faced political behaviour, apparently going in opposite directions was seen by Sjamsuddin Haris as an indication of the inconsistency of NU with its own character.[7] His view on how far this mass-organisation that was established in 1926 has stuck to its traditional character, seems dependent on who dominates the leadership of the NU in a certain period". When the leadership of NU is dominated by politicians, it is inclined to be vocal, while its attitude is inclined to be accommodative when the leadership is dominated by the *Kiais* (venerated Islamic scholar).

This explanation is in fact inadequate, if one views NU's behaviour more completely from time to time. For example, when still dominated by *Kiais* at the beginning of its existence, during the Dutch colonialism period, NU was non-cooperative. This non-cooperative attitude can be seen from its refusal to occupy seats in the *Volksraad* (People's Council of the Dutch East Indies), its rousing nationalism;[8] and at the beginning of Indonesia's independence its encouragement of revolt *jihad fi sabilillah,* after the *Kiais* had given their *fatwah* on October 22, 1945. But when NU began to be steered by politicians during the Old Order period. NU took an accommodative attitude and took an accommodative stance such as when it supported *Nasakom,* and gave the title *waliyyul amri dharuri bissyaukah* (holder of the pro-

[4]In order not to cause protraction of the problem, NU formed a team to negotiate with Masyumi. This team also offered the possibility to consider the decision in Palembang, if agreement with Masyumi could be reached. In particular an agreement that did not harm NU, among others on membership. NU wanted Masyumi to be a Confederation. The character of its membership should therefore be a passive one. The intelectual group of Masyumi did not agree. They wanted, besides having the character of a passive system, also an individual active system. See PB NU, *Tentang Perundingan antara Nahdlatul Ulama dan Masyumi* [On the Negotiations between NU and Masyumi], 1952.

[5]Mitsuo Nakamura, *Tradisionalisme Radikal NU di Indonesia* [NU Radical Traditionalism in Indonesia] (Surakarta: Hapsara, 1982).

[6]Fachry Ali, *"Fenomena Politik NU Dewasa Ini,"* [The Phenomenon of NU's Current Policy], *Kompas,* 24 November 1981.

[7]Sjamsuddin Haris, *"NU dan Godaan Politik."*

[8]Choirul Anam, *Pertumbuhan dan Perkembangan Nahdlatul Ulama* [Growth and Development of Nahdlatul Ulama] (Surakarta: Jatayu Press, 1985), 24-33.

visional government with plenipotentiary powers) to Soekarno.

Apparently NU's behaviour, the two-faced political behaviour included, was a reflection of its internal dynamics towards the environment, in the sense that the behaviour is a reflective interpretation of the values of *Ahlussunnah wal jamaah* (the Sunnite trend) as its principle[9] on questions in its environment as well as within itself, that are not always the same among the *Kiais,* although it may eventually lead to reaching a consensus or to agreeing not to agree. The background of the interpreter (leader), the situation of the environment as object of interpretation, have of course their influence whether great or small. The logic is as follows. In facing any event, change, and tendency, NU does not respond directly. First it will be internalised (by the leaders), discussed according to *fiqhieh.* The situational context is considered. Just thereafter NU will take a position.[10]

This writing is intended to present NU's response to the political development implemented by the New Order government. Worth noting are two symptoms that seem to contradict each other. *First,* political development which includes political modernisation, is inclined to involve change of traditional authority -- "detraditionalisation" -- into rational authority.[11] It also involves the process of differentiation and specialisation of political institutions. In this context, NU as a traditionally religious organisation, whether it likes it or not, is affected by this process, so that in facing it Mahrus Irsyam proposed that the challenge from outside must be responded to by institutionalising new values, new political behaviour, and a new political role.[12]

Second, after more than half a century NU has displayed adaptability that is not less important than the adaptability of modern socio-political organisations. The adaptability, for example, can be seen from its rapid acceptance of Pancasila as the sole basic principle, while modern religious organisations, such as Muhammadiyah, HMI, MAWI, PGI, at that time still did not show signs of accepting Pancasila as the sole basic principle. Even a modern non-religious organisation, such as YLBHI, at that time did not yet accepted it either.

This writing covers three discussion topics. *First,* it deals with the value system adhered to by NU, which is then looked upon as the source of its conception on state. *Second,* the political development process occurring during the New Order era with "variations" of the theoretical framework of political development because there were "strange" symptoms, such as the existence of authoritarianism tendencies. *Third,* NU's response to the political development process performed by the New Order.

Ahlussunnah Wal Jamaah Concept and NU's State Outlook

From the beginning NU has made it clear that it is a follower of *Ahlussunnah wal*

[9]Compare to Einar Martahan Sitompul, *NU dan Pancasila* (Jakarta: Sinar Harapan, 1989).

[10]Political behaviour not apart from values of individual or group. See David E. Apter, *Pengantar Analisa Politik* [Introduction to Political Analysis] (Jakarta: Rajawali Press, 1985), 327-445.

[11]Samuel P. Huntington, *Political Order in Changing Societies* (New Haven, Connecticut: Yale University Press, 1968), 24.

[12]Mahrus Irsyam, *Ulama dan Partai Politik* [The Ulema and the Political Party] (Jakarta: Yayasan Perkhidmatan, 1984), 3.

jamaah, a religious concept that in NU circles has as source: *Al-Qur'an, As-Sunnah* (Prophet Muhammad's traditions), *Al-Ijma'* (General Consensus), and *Al-Qiyas* (Analogy). It was also to maintain and to develop this concept that NU was established.

Literally *Ahlussunnah wal jamaah* means adherent of *Sunnah Nabi* and *Jamaah* (his disciples).[13] In a more specified sense -- adhered to by NU -- K.H. Bisri Mustofa interpreted *Ahlussunnah wal jamaah* as a concept that holds to tradition as follows:

1. In the field of Islamic laws, it adheres to the teachings of one of the four schools of thought (Hanafi, Maliki, Syafei, and Hambali). In practice NU predominantly adheres to the Syafei school of thought;
2. In *tauhid* (the doctrine of God's oneness), it follows the teaching of Imam Abu Hasan Al-Asyi'ari and Imam Abu Mansur Al-Maturidi;
3. In the field of *tasawuf,* it follows the basic teachings of Imam Abu Qosim Al-Junaid.[14]

This doctrine distinguishes it from the innovators mentioned earlier, whose bases are only the *Al-Qur'an* and *As-Sunnah.*

These three religious traditions held by NU -- comprising *Iman* (Belief), *Islam* and *Ihsan* (Good Conduct) -- finally gave birth to the normative attitudes that have become NU's characteristics, namely:

1. *Tawasuth* and *ijtidal,* to take a moderate attitude with at its core the life's principle to esteem highly the obligation to behave justly and rightly in the midst of society;
2. *Tasamuh,* to take a tolerant attitude toward differences of opinion, both with regard to religion, in particular questions of *furu'* character or that have become *khilafiah* (minor differences);
3. *Tawazun,* to take a balanced and solemn attitude toward Allah, human beings, and life's environment to harmonise interests of the past, of the present, and of the future;[15]
4. *Amar ma'ruf nahi munkar,* to be always sensitive to stimulate good, useful and advantageous deeds for society; and to refuse and prevent all that leads to a degradation of life's values.[16]

The normative attitude of NU also influence its perspective in perceiving state political life.[17] For NU, the duty of living in a society and in a state is an imperative that cannot be bargained. Accordingly, to obey the government is also a duty,[18] as long as the government does not encourage *kekhufuran* (unbelief). Thus, all sorts of opposition, the more so that are leading to rebellion, are not known by NU. In this case more or less NU is influenced by the thoughts of Al-Mawardi, a Sunni Ulama from the Abbaside Dynasty, who said that 60 years under

[13]K.H. Siradjuddin Abbas, *I'tigad Ahlussunnah Wal Jamaah* [The Sunnite Resolution] (Jakarta: Pustaka Tarbiyah, 1983), 16.

[14]Quoted from Zamakhsyari Dhofier, *Tradisi Pesantren* (Jakarta: LP3ES, 1982), 149.

[15]K.H. Ahmad Siddiq, *Khittah,* 38-40.

[16]PB NU, *Kembali ke Khittah 1926* [Back to the 1926 *Khittah*] (Bandung: Risalah, 1985), 119.

[17]Fachry Ali and Bachtiar Effendy, *Merambah Jalan Baru Islam: Rekonstruksi Pemikiran Islam Masa Orde Baru* [Paving a New Road for Islam: Reconstruction of Thoughts on Islam in the New Order] (Bandung: Mizan, 1986), 59.

[18]Compare to *Surah* 4: 59, "Listen, you faithful people, obey *Allah* and obey *Rasul* (his Profet) and *ulil amri* (leaders) among you."

a tyrannical government is far better than one day of anarchy. It is not surprising therefore that faced with the choice, between President Soekarno and Sekarmaji Marijan Kartosuwiryo *Dar'ul Islam* (DI/TII) in the nineteen fifties and the beginning of the nineteen sixties, NU supported President Soekarno and considered DI/TII as rebels *(bughat)*. Everything was considered and decided on the basis of *fiqh* (Muslim law). Abdurrahman Wahid, therefore could not accept NU being called "radical traditionalist organisation" by Mitsuo Nakamura, and considered Nakamura not deeply knowing the values of NU, all ased on *fiqh*.[19] The theory of *fiqh* itself comprises all practice of religious life that is manifested in life, including societal and state life. In applying *fiqh* law, adherents of *Ahlussunnah wal jamaah* (NU) hold to the principle that the law emerges because of a causality or *alhukmu maal illat*.[20] As a consequence the causal relationship has been applied in defining law products *(fiqh)*.

Meanwhile NU's views on state life are reflected in the writings of *Kyai* Ahmad Siddiq, among others:

1. The national state that was jointly established by the entire people must be maintained and its existence must be preserved;
2. The legitimate ruler (the Government) must be placed in a honored position and obeyed, as long he does not deviate from, and govern in contradiction with law and what is defined by Allah;
3. If the Government is at fault, it should be reminded in the best possible manner.[21]

Such views about the state are influenced by The Syafei school. The Syafei school of thought distinguishes three sorts of states, namely *dar Islam* (Islamic state), *dar harb* (war state/anti-Islamic state), and *dar sulm* (peaceful state).[22] A Moslem society chooses the first and the third model. But if the first model cannot be obtained, Moslems can accept the third one. According to the third model, although a state is not based on Islamic law, but the society still practises the Islamic teachings, the society is obliged to defend the state.

Political Development in the New Order Period: Stabilisation

Two problems that hampered the beginning of the New Order as an inheritance of the previous government were: economic decline and political instability. The development of guided economy did not reach its target. Inflation in 1966 reached 650 per cent and stagnation developed, while political unstability occurred because of existing conflicts among political forces, as the result of ideological polarisation, party plurality, and the existence of a centrifugal tendency.[23]

[19]Abdurrahman Wahid, "Nahdlatul Ulama dan Islam di Indonesia Dewasa Ini," [NU and Islam in Indonesia Today]. *Prisma* (April 1984).

[20]Mahrus Irsyam, *Ulama*, 21.

[21]K.H. Ahmad Siddiq, *Khittah*, 43.

[22]Quated from Abdurrachman Wahid, *"Pengantar"* (Introduction) to his writing Einar Matahan Sitompul, *NU dan Pancasila*, 10.

[23]Compare to Giovanni Sartori, "European Political Parties: The Case of Polarized Pluralism," in Joseph Lapalombara and Myron Weiner, eds., *Political Parties and Political Development* (New Jersey: Princeton University Press, 1972), 137.

Meanwhile the rule of the game, whoever managed it, was not yet adequate.

The atmosphere was in fact much better compared with the era of parliamentary democracy. At that time demands on the political system were large, while the capability of the system was limited, so that it suffered from stress. Soekarno, through his guided democracy model, succeeded in checking the political parties, so that political fights were almost localised into three political forces: the Armed Forces, Soekarno and the Indonesian Communist Party (PKI).

The revolt of Lieutenant Colonel Untung, involving the PKI, broke down the political structure of Indonesia. The Army together with General Soeharto became the dominant force, and the vanguard of what is called the New Order. It was this force that later endeavoured to construct a new political structure.

Initial steps to overcome the two problems were taken through rehabilitation or stabilisation.[24] In the economic field the effort was made by issuing the regulation of October 3, 1966. It comprised presidential instructions, which were among others: subsidy and constant prices policy; credit arrangement; and foreign currency regulations. In the political field the effort was performed through consolidation of power, including the dissolution of PKI that was considered as the principle cause of the abortive "September Revolution".

One of the things that clearly distinguishes the New Order from the previous one is its emphasis on economic development. This programme is performed through an economic development strategy that enables private investors, both foreign and domestic, to participate in it. But as to the approach to be made -- in the beginning -- there were differing views. On the one hand, there were those who wanted an approach that was "outward orientated", on the other hand there were those who wanted an approach that was "inward orientated".[25] Although the first choice was then confirmed as the main strategy, the existence of the different views is quite interesting, because each approach has its consequence in political life; and this shows that the beginning phase of the New Order was still marked by a plurality of thinking..

In order to support economic development, political development has been implemented by developing political structure and culture.[26] The New Order understands that political development is a precondition for economic development.[27] It means that the development of political structure and culture is intended to sustain the attainment of the objectives of economic development, in particular the creation of political stability.

[24]Sjahrir, *Ekonomi Politik Kebutuhan Pokok* [Political Economy as an Essential Need] (Jakarta: LP3ES, 1986), 86.

[25]See Mochtar Mas'oed, *Ekonomi Politik dan Struktur Politik Orde Baru* [Political Economy and the Political Structure of the New Order] (Jakarta: LP3ES, 1989), 95.

[26]Amir Mahmud, *Pembangunan Politik Dalam Negeri Indonesia* [Domestic Political Development in Indonesia] (Jakarta: Gramedia, 1986), 148.

[27]See Lucian W. Pye, "Konsep Pembangunan Politik" [Concept for Political Development] in Yahya Muhaimin and Collin McAndrews, eds., *Masalah-masalah Pembangunan Politik* [Problems on Political Development] (Yogyakarta: Gadjah Mada University Press, 1982), 5-7.

Such a framework is not far from the definition of Samuel P. Huntington who understands political development as restructuring political institutions, in order to avoid political decay, as the result of the numerous demands, while the political institutions are not capable of overcoming the demands.[28] Huntington also defines political development as political modernisation constituting change in the legitimacy of authority sources, differentiation of political structure, and expansion of political participation. Huntington's writing is the result of his observation of phenomena that beset the Third World after the Second World War, namely the increase of conflicts, riots, demonstrations, and even forceful changes of power. For example, in the twenty years following the Second World War, out of twenty Latin American states at that time seventeen states among them experienced change of power through *coup d'états*. Only Mexico, Chile, and Uruguay did not, although finally they also had coups.

Between the nineteen fifties and nineteen sixties there were many writings entitled: theories of political development or theories of political modernisation. However, the theme of the study was not always the same. There were those inclined to pay attention to democracy; to the aspects of political development and change; and also those relating crisis to political development.[29] But all shared almost the same view, namely their linear point of view in that society is assumed to always develop from traditional towards modern society. Indeed there were theories on political development that smacked of Marxism, but they are not so popular in developing countries.

The point of departure of these political development theories were North America and West Europe, and assumed the existence of highly participating societies. Lucien W. Pye, for example, said that political development is intended to attain a society with certain characteristics.[30] *First,* the existence of equality, that is related to the participation of the masses and the involvement of the people in political activities. *Second,* the existence of the capacity of the political system in formulating its policy and in carrying it out. *Third,* the existence of differentiation and specialisation of political roles. And *fourth,* the existence of secularisation of the political process, separated from religious influence and aim. Other writings, such as those of Claude Welch, David E. Apter, Myron Weiner, and some others, are almost similar. The political development process implicates at least three factors. *First,* centralisation of power in the national government. *Second,* differentiation and specialisation of political structures. And *third,* the intensified political participation of the citizens.[31]

Out of the three factors in political development two are most actively striven for by the New Order, while the third, if that exists, is controlled political participation. Political participation, Jackson said, indeed

[28]Samuel P. Huntington, *Political Order.*

[29]See Ronald H. Chilcote, *Theories of Comparative Politics: The Search for a Paradigm* (Boulder, Colorado: Westview Press, 1981), 272.

[30]Lucian W. Pye, "Konsep Pembangunan Politik," 16-17.

[31]Compare with Ratnawati, *Pembangunan Politik Indonesia, Tahun 1966-1982* [Indonesia's Political Developments, 1966-1982] (Master Thesis, Gadjah Mada University, 1987), 23-24.

exists, but only in the bureaucracy,[32] involving only a small number of people in Jakarta. The New Order, said Jackson, has even oppressed and eliminated important groups of society and has not provided ways for political participation.

The existence of controlled political participation is aimed at creating political stability, to secure the smoothness of economic development. Such a framework has been gradually used by the New Order. The multiparty system and the existence of ideological polarisation were not directly changed, but in phases. The New Order, for example, still gave concessions to politial parties to be involved in the political process. Decree of the Provisional People's Consultative Assembly *(Tap* MPRS) No. XXII/1966 promulgated the reduction of parties, but it was not implemented directly. To impliment it the Government submitted RUU *Pemilu* (General Elections Bill), in which it was stated that the general elections would use the district system. This system forwarded by Sarbini in the *Seminar Angkatan Darat ke-2* (Second Seminar of the Army) in Bandung, was considered a mechanism of reducing political parties in a natural manner. But this system was rejected by the Mutual Help People's Representative Council (DPRGR-*Dewan Perwakilan Rakyat Gotong Royong)* of which the majority was still dominated by representatives of the political parties. The Government complied with their desire to use the proportional election system. As a compensation they could agree that the General Elections were postponed until 1971. This postponement was utilised by the Government to consolidate itself in order to be able to win the General Elections. For the Government, the victory in the 1971 General Elections -- by *Sekber Golkar* (the Joint Secretariat of the Functional Group) -- was an imperative. To that end a strategy was also designed.

To face PNI (the Indonesian Nationalist Party) the Government decided: to create *Kokarmendagri* (Corps of Employees of the Home Ministry) -- as a forerunner of *Korpri* (Corps of Government Employees). PNI supporters, who were in bureaucracy circles, willingly or unwillingly, had to support *Sekber Golkar* and leave PNI. Meanwhile, in order to face Muslim political parties, in particular NU, the government established GUPPI *(Gabungan Usaha Perbaikan Pendidikan Islam* = Union of Endeavours to Improve Islamic Education) and incorporated religious programmes in *Sekber Golkar.* This was to avoid the accusation that the Government is secular; moreover at the beginning quite a few Catholic politicians had seats in the *Sekber Golkar* Committee. Therefore in the 1971 General Elections, Golkar gained a spectacular victory, 62.8 per cent. A percentage of votes that was never before acquired by any political power. PNI that was quite strong in the 1955 General Elections only acquired 22.3 per cent, and in the 1971 General Elections it drastically declined to 6.9 per cent. In fact Golkar's victory was not only due to such strategy. The involvement of the armed forces in the General Elections also gave its contribution to the victory of *Sekber Golkar.*

The government did not continue to comply with the desire of the political parties. The desire to reduce political parties, as a decree of the MPRS (Provisional People's

[32]Karl D. Jackson, "Bureaucratic Policy: A Theoretical Framework for the Analysis of Power and Communication in Indonesia," in Lucien W. Pye, ed., *Political Power and Communication in Indonesia* (California: University of California Press, 1978), 3.

Consultative Assembly), became increasingly stronger. On February 7, 1970, President Soeharto appealed for the need to think over the grouping of political parties into material and spiritual groups aside from Golkar. This appeal was further continued 20 days later, through dialogues, consultations with the political parties, discussing the grouping of political parties.[33] Therefore, since 1973, through groupings, the political parties have been reduced into three: PPP, Golkar, and PDI.

This reduction of parties had three aims. *First,* replacing old political institutions, in particular political parties, with new political institutions or parties. *Second,* the fusion wanted clear limits between functional institutionalisation under political area and under non-political area. *Third,* it wanted to replace old values and norms with new ones.[34] The latter then generated a single ideology concept. In the theoretical framework of Giovani Sartori, this party system framework engineered by the New Order took more the direction of simple pluralism (R. William Liddle calls it limited pluralism). In such a system, there is no ideological polarisation and its tendency is of a centripetal character.

NU's Response: Between Radical and Accomodative?

The process of political development occurring during the New Order era is a response to the problem faced by General Soeharto, when for the first time he came to power in this country, namely what kind of political structure would be shaped?[35] Also those involved in the existing political process were the answer to the question, who would become his partners?

With regard to the second question General Soeharto initially faced two options. *First,* to form a coalistion with a political party, and thus to enable a political system to stimulate people's participation. This first choice was based on the idea, that many parties were involved in the "over-throw" of the previous order, comprising those that were disappointed by Soekarno's power as well as those who wanted another alternative to the political system of Indonesia. In general they wanted a greater, democratic political participation. *Second,* to reform the existing constitutional framework in such a way as to create a new agreement.[36]

Were the first alternative chosen, possibly PNI and/or NU would be made partners. Aside from the fact that both were supporting General Soeharto -- although there were some hesitating groups of elder members -- both had also a strong basis of mass support of the people, particularly in Central and East Java. PNI had mass support from *abangan* (Muslim Freethinkers) and *priyayi* (the Gentry) (in the government bureaucracy) circles, while NU had support from the *santris* (pious Muslims) -- in the vilages -- and Muslim merchants; quite a few of the latter were formely supporters of Masyumi.

But in compliance with the decreed economic development strategy this choice was

[33]Ali Moertopo, *Strategi Pembangunan Nasional* [National Development Strategy] (Jakarta: CSIS, 1982), 192-193.

[34]Mahrus Irsyam, *Ulama,* 49-51.

[35]Herbert Feith, "Suharto's Search for a Political Format," *Indonesia* 6 (Ithaca: Modern Indonesia Project Cornell University, 1968).

[36]Mochtar Mas'oed, *Ekonomi Politik,* 128.

finally set aside. The problem was that if the a first choice was made the possibility of increased political participation would be unavoidable, so that a recurring "stress" on a political system as had been the case previously would be relatively difficult to evade. Besides, the ability of the political system at the beginning of the New Order was still very limited. Consequently the political stability -- as a pre-condition for economic development -- would also be difficult to realise.

On the other hand, the orientation of the political parties was more inclined to support native entrepreneurs. This was contrary to the economic development strategy with "outward orientation" that was more inclined to support efficient entrepreneurs and these were relatively difficult to find among native entrepreneurs at that time. To secure the creation of high economic growth, the Government preferred to cooperate with foreign and non-native capital owners.

Another factor that caused the first alternative to be put aside was because those playing a more significant role in the New Order was inclined to be anti-party,[37] in particular the Army. The technocrats themselves who played a substantial role as engineers of the economic development strategy, according to Jeffrey D. Straussman, preferred depoliticisation.[38] In their opinion, bringing politics to the fore tend to bring about conflicts. This was rationally not effective and not efficient as a condition for performing development programmes that had been announced. For solving social problems, the technocrats were more inclined to use technocratic than political methods.

Finally the second alternative was considered right, namely to revive agreement with several mechanisms, which are stipulated in the 1945 Constitution. In this context Mochtar Mas'oed gave his comment:

> By reinterpreting the existing framework of the Constitution, General Soeharto tried to create a series of political structures and practices that: (1) can give support to economic transformation; and (2) will be able to control its effects, in particular by subduing the opposition and by preventing it from disturbing the economic programme of the Government.[39]

The restructurisation of political and mass-organisations, and the distinct separation between the two, through the Act on political and mass-organisations, and the single ideology -- consensus -- Pancasila, have proved to be effective for creating a stable political structure.

This choice disappointed a part of the groups that have taken part in the overthrow of the previous ruling government. In particular political parties, NU not excepted, were also disappointed. The disappointment of NU was disclosed from a series of critical observations by Subchan ZE -- a young figure of NU whose behaviour was regarded unusual, even by members of NU.[40] Subchan ZE was not only a pioneer of *Kesatuan Aksi Pengganyangan Gestapu* (Joint Action for Eliminating Gestapu -- *Gerakan September Tiga Puluh* -- Thirty September Communist Movement) he also helped dissolve the Old Order and further took part in preparing the emergence of the New Order

[37]Ibid., 31.

[38]Jeffrey D. Straussman, "Technocratic Counsel and Societal Guidance," in Leon N. Linberg, *Political and the Future of Industrial Society* (New York: David McKay Company, 1976), 153-154.

[39]Mochtar Mas'oed, *Ekonomi Politik*, 128.

[40]Ibid., 131.

and supporting it. He also acerbicly criticised the "deviations" of the New Order. For example, he sharply criticised the involvement of the Army in non-military affairs. And he also wanted political democratisation. The main objects of Subchans ZE's criticism were centred on abuse of competence, democratisation, and unbalanced economic development. In a speech he once said: "The principles of the New Order are already blurred and no longer the basis of struggle for all components of the New Order".[41] In this case he wanted basic principles for the struggle of the New Order, which include: (1) maintenance of democratic life system; (2) maintenance of legal order and justice in daily life; (3) business: i.e. democratisation in the execution of economic policy; and (4) maintenance of human rights.

Such critical thoughts were not only voiced because he wanted to uphold the New Order. He also wanted to make NU a respected, honoured and proficient political party. This desire was based on his observation of the latest development of NU that seemed to be apprehensive and careful because of the political engineering of the New Order. The New Order does not want the existence of radicalism in its political format. And NU does not want to be labelled as "radical" and "harsh". This could be seen in its 24th *Muktamar* (Conference) in Bandung, July 5-9, 1968, that seemed to be tinged with cautious attitude.

However, Subchan did not want NU's political behaviour to divert from *Ahlussunnah wal jamaah*. "An extreme attitude", he said, "is not the original line of NU's struggle". Nor did he want NU to be opportunistic, because such an attitude could make NU dishonourable and not respectable. He wanted NU to be consistent, tolerant and *amanah* (trustworthy).[42]

NU's attacks on Government's policies could be clearly seen at the 1971 General Elections. NU -- with Subchan as spokes man -- and a number of other political parties, had attacked *Permendagri* (Regulation of the Minister of Home Affairs) No. 12/ 1969 that was considered favouring Golkar. All government employees within the Department of Home Affairs were regarded united and having mono-loyalty.

In the 1971 General Elections NU became the main Muslim political party. Parmusi *(Partai Muslimin Indonesia* = Indonesian Moslem Party), which was originally intended as a rebirth of Masyumi, could not get support as was the case with Masyumi. The prominent figures of Masyumi who wanted to lead Parmusi were eliminated. At that time the Islamic vision was still dominant, though having adopted Pancasila as one of their principles. The NU leaders' main task was to continue the ideals of Islam by way of securing that this party would be represented in the government, in the representation councils and in the office for religious affairs.[43] To realise this vision the leaders of the NU gave a *fatwah* (official

[41]He was not only once a *santri,* although not for long. He also studied economics in the USA. Unlike most of NU members, he liked to visit discotheques, night clubs. Because of this behaviour he is called *"santri sekuler"* and "play boy." Also for this reason Kiai Bisri Syamsuri, Rois Aam PB-NU, once dismissed him from the NU committee and membership.

[42]Choirul Anam, *Pertumbuhan dan Perkembangan NU,* 26.

[43]Harould Crouch, *Militer dan Politik di Indonesia* [The Military and Politics in Indonesia] (Jakarta: Sinar Harapan, 1986), 295.

religious advice) to the Muslims that Muslims were obliged to vote for Islamic political parties. This *fatwah* was the result of the meeting of the leaders of NU in Jombang, attended by not less than 700 people.

And indeed, this *fatwah* was sufficiently effective, in particular for *Nahdliyin* members. NU became a power that could not be shaken, as was the case in the 1955 General Elections. NU -- in the 1971 General Election -- got 10,213,650 (18.67 per cent), 58 seats. A number of these obtained votes, considering their percentage, were not far from that of the 1955 General Election. At that time NU obtained 6,955,141 (18.4 per cent) votes, 45 seats. This great number of votes obtained by NU, unlike the other political parties, was also due to the role of the *Kiais* (Islamic scholar) and *pesantrens* (Islamic educational institutions) that were dominant in the villages.[44] Here the floating mass policy had less influence on NU. The close relations between *Kiais* and *Santris* in the NU culture made *Nahdliyin* members sustain a feeling of being related to the *Kiais,* so that whatever they had heard from the *fatwah,* they put into practice, including the *fatwah* of being obliged to vote for the NU party.

During the campaign period Nu spokesmen, in particular the young politicians, were quite outspoken, for example, they said "the political game is no longer fair, the Minister of Home Affairs is no longer an umpire but has become a bulldozer". They were not even averse to use the term "jihad" to arouse the political spirit of the Muslims.[45] It was also because of this term "jihad" that President Soeharto reacted, and said "Every 'jihad' attempt that is always inflamed by a certain group will be faced by the government with the 'jihad' spirit, too". However, such categorical attitude displayed by the NU spokesmen was unique and unlike other spokesmen. A number of senior NU politicians, in particular Idham Chalid, wanted NU to be more flexible and not cross current. However, the label that NU was more "radical" abided. The result was that even though NU was second winner in the General Elections, there were no more prominent figures of NU occupying seats in the cabinet. Even the function of minister of religious affairs that was formerly always allotted to NU, was transferred to a "technocrat", Mukti Ali.

After the 1971 General Elections, the main political issue was party simplification. By the New Order NU was grouped in the *Kelompok Persatuan Pembangunan* (United Development Faction), a political power with programmes based on a religious, spiritual concept. In the beginning this group included Partai Katholik and Parkindo. But these two parties were not willing to be included in that group and chose to join *Kelompok Demokrasi Indonesia* (Indonesian Democratic Faction). These groups were finally forced to become political parties or fusions, so that there are now only three political organisations: PPP, Golkar and PDI.

NU rejected the idea of this fusion in its *Muktamar* in Surabaya on December 20-25, 1971. The reason was that NU would be-

[44]On the influence of the *Kiais* on the General Elections, see Ken Ward, *The 1971 Elections in Indonesia: An East Java Case Study* (Australia: Centre for Southeast Asian Studies, Monash University, 1974).

[45]A. Basit Adnan, *Kemelut di NU: Antara Kiai dan Politisi* [NU's Crisis: Between *Kiais* dan Politicians] (Surakarta, Indonesia: Mayasari, 1982), 46-47.

come a minority in the new party. However, this decision was finally revoked, and NU supported the fusion instead. In its *Muktamar* in Surabaya NU were considering an organisation in which Muslim parties could work together. Not in the form of a fusion, but -- as was its idea when it joined Masyumi -- in the form of a confederation. And under certain conditions, namely: (1) to maintain the existence of the respective Muslim political parties; (2) to base the composition of the leadership on majority principles according to the consideration of representatives in the DPR/DPRD (House of Representatives/Regional House of Representatives).[46] Such a response was almost the same as that of PSII (Indonesian Islamic League Party). PSII firmly rejected the fusion of parties.[47] H.M. Ch. Ibrahim, PSII Chairman, considered the result of the grouping in the DPR in the form of a confederation already as a maximal achievement. It was this statement that later resulted in a dualism in the leadership of PSII, namely between H.M. Ch. Ibrahim on the one hand and H. Anwar Cokroaminoto on the other hand. But finally no political power was capable of rejecting the engineering of party simplification. NU eventually complied to the party simplification.

With the establishment of PPP as the only Muslim party, automatically NU became an ordinary mass-organisation as it used to be. But its political behaviour could still be seen, and actualised in PPP. This could happen because the fusion in PPP was quite unique. The respective organisations were not fused into one as was the case in PDI. Only their political aspirations were fused, while apart from that, everything was done individually, so that each respective element had "two faces", political and non-political. The problem that was later faced by PPP was among others caused by such a shape. Often the non-political face influenced the political face or conversely. Formally this lasted until 1985, when it was explicitly decided which was a political organisation and which was a mass organisation. Not conclusive, indeed, because in reality each played politics in PPP.

In that period there were some cases involving critical consideration of NU on the socio-political engineering of the New Order. Three cases will be presented here.

First, the case of the RUU *Perkawinan* (Marriage Bill) forwarded by the government in 1973. NU and the mass-organisations that were fused in PPP, and other Islamic mass-organisations were against it, because it was regarded deviating from religious teachings. Even non-Islamic mass-organisations also supported these Islamic political and mass-organisations. This case was interesting enough to even invite a number of Muslim youth to hold a demonstration.

Although not in every respect NU's desire, supported by several groups, was granted. Through a series of personal meetings between President Soeharto and a number of top leaders of NU, this Marriage Bill eventually underwent basic changes. The Marriage Bill was only agreed upon to be passed as Law after it was considered not deviating from religious (Islamic) teachings.

Second, the case on the *Rantap* MPR (MPR decision draft) concerning P4 -- The Guidance for the Implementation of Panca-

[46]PB NU, *Keputusan Muktamar ke-25 di Surabaya* [Decisions of the 25th Congress in Surabaya], 20.

[47]*Indonesia Raya* daily, 19 September 1972.

sila -- and the Belief in the One and Only God in the Guide of State Policy (GBHN). NU elements in FPP (the United Development Faction) rejected this *Rantap* MPR. The argument was: P-4 was considered an interpretation of Pancasila and may blur Pancasila itself. Therefore, when it was to be determined, FPP -- following the guidance of PPP's Consultative Council that was dominated by NU *Kiais* -- walked out of the session room, which means that they were not participating in the decision. But when the determination was already decided, FPP decided to comply with it, because it was considered binding for all parties.

The belief in the One and Only God was rejected, because it was considered dividing the Muslims into the dichotomy of *santri* and *abangan.* Such a dichotomy, according to NU, would only make the Muslims a minority, because there are quite a few nominal Muslim adherents. For NU, both *santri* and *abangan* are Muslims, only the quality of observance and application is different. Also in this case NU walked out, when voting was carried out.

Third, concerning the issue on the 1980 General Elections Bill, FPP and PDI proposed some points considered essential. They were among others the participation of political parties in LPU (General Election Institute) and KPPS (ballot team), the appointments of DPR (Parliament) members to be decreased from 100 to 75, and on freedom to choose, to perform, and to use the right in the General Elections. These demands were not granted.

NU elements in FPP persisted in their demand, so that when the Bill was to be decided, the NU elements left the session room. NU's argument for rejecting the Election Bill was: "According to good manners observed by NU, a political target cannot be separated from its political game. The target and the aim may be good, but if the rule of the game is bad, it is similar to achieving one's objective through wrong means".[48] However, NU would comply with the rule when it became an official regulation.

An event that by some people was considered surprising was NU's acceptance of Pancasila as the only basic principle. This acceptance reminded one to an event in the past, namely NU's acceptance of *Demokrasi Terpimpin* (Guided Democracy) and *Nasakom* (Nationalist-Religious-Communist). As for this question Khalid Mawardi gave his explanation that NU was in a defensive position. Further he said:

> "In principle NU as a party should not agree with a large number of President Soekarno's policies, which were to the advantage of PKI, but the party did not have the courage to express its opinion, because it was afraid that Bung Karno would take measures and dissolve the party".

According to the *fiqh* (Islamic Law) this is justified, because by participation in the game NU may "straighten" things that are considered deviating. In this context *Kiai* Saifuddin Zuhri -- who was interviewed by A. Syafii Maarif -- said that this acceptance was based on *pesantren* values, namely: *Ma la yudraku kulluhu la yudraku ba'dhahu* (What cannot be acquired 100 per cent, the part -- that can be obtained -- must not be dismissed).

The acceptance of Pancasila as the sole principle by NU was examined on the basis

[48]K.H. Saifuddin Zuhri, *Kaleidoskop Politik Indonesia I* [Kaleidoscope of Politics in Indonesia] (Jakarta: Gunung Agung, 1982), 86.

of *kaidah-kaidah fiqh* (fiqh norms),[49] and not only in order to be praised by the New Order. Some principal thoughts as basis for the acceptance of Pancasila as the sole principle by *Munas Alim Ulama* (Conference of Muslim Scholars) at Situbondo on December 18-21, 1983, were as follows:

1. Pancasila as basis and philosophy of the Republic of Indonesia is not a religion, cannot replace a religion and cannot be used to replace the position of a religion;
2. The principle of the Belief in the One and Only God as basis of the Republic of Indonesia according to article 29 ... reflects *tauhid* (the doctrine of God's Oneness) according to *keimanan* (the doctrine of faith) in Islam;
3. For NU, Islam is *aqidah* and *syari'ah* (faith and law) ...;
4. The acceptance and application of Pancasila are the realisation of the effort of the Indonesian Muslims to practice the *syari'at* (law) of their religion;
5. As a consequence of the above attitude NU is obliged to secure the true meaning of Pancasila and its authentic and consistent application by all sides.[50]

The distinct separation of political organisations from mass-organisations was in fact in line with NU's choice itself, namely back to the 1926 route.[51] The consequence of going back to the 1926 route is a clear separation of political activities from non-political activities. And NU wants to pay full attention to non-political (practical), social, religious activities according to the 1926 spirit.

The desire itself began to emerge in the 22nd NU Congress on December 13-18, 1959, in Jakarta, of which the idea came from the Mojokerto affiliate. The spokesman, Kiai Achyat Chalimi, on this occasion said:

> The political role of the NU party has ceased to exist and the role is held by individuals, so that the party as a political vehicle no longer exists. Therefore it is proposed that NU should return to 1926.[52]

No different from the evaluation of the *Kiais* -- in particular the young intelectuals of NU -- in the future, this idea was based on the consideration that so far NU had put too much premium on political affairs that in reality were not only in the interest of the organisation but also for individual interest, and more than on religious social affairs that were precisely dominant at the beginning of its existence. But *Kiai* Chalimi's idea was disregarded by those attending the Muktamar. The idea only got serious attention after the young NU intelectuals held a series of discussions. They formed Team 24 that was then reduced into Team 7 to formulate the idea 'back to the 1926 Route. And its course became increasingly smooth after enlisting the support of the *Kiais*.

The desire to return to the 1926 route can also be looked upon as a response to political modernisation -- differentiation and specialisation of political structures and roles -- that was still in process in the New Order. After returning to the 1926 route, NU only performs "one role", namely as a mass-organisation, that is separated from political organisations.

[49]Abdurrahman Wahid, "NU and Islam in Indonesia."

[50]PB NU, *Kembali ke Khittah 1926,* 50-51.

[51]See Khoirul Fathoni, *Latar Belakang dan Prospek Nahdlatul Ulama Kembali ke Khittah 1926* [Background and Prospects of NU's Return to the 1926 *Khittah*], Academic paper, Faculty of Social and Political Sciences, Gadjah Mada University, 1986.

[52]Quoted from Sholeh Hayat, *"Ide Kembali ke Khittah 1926: Dilontarkan Sejak 1959,"* [The Idea of Returning to the 1926 Khittah, Launched Since 1959], *Aula* (March 1990): 84.

NU's flexibility as regards changes, even though the party is culturally traditional, is because it does not lock itself up against changes. It is not too difficult for NU to accept "new values" as long as the values are good. This should not be viewed apart from NU's understanding of Islam as a *fitri* religion, a religion striving for perfection. On the other hand NU has *kaidah fiqh* the principles of the Law) -- taken from the thoughts of Ahmad Amin from Egypt -- that enable it to accept those "new values". These principles read *"al-akhdzu bil jadidil aslah wal muhafadzatu 'alal qadimis salih"* (take the new that is more useful, and hold fast to old, still relevant values). It is among others these principles that enable NU to live in its socio-political realm.

Conclusion

From the elaborations one can draw two conclusions of NU's response to the political development process of the New Order. *First,* was a "radical" response. This lasted from the early period of the New Order until the early nineteen eighties. In this period it was as if NU was "keeping itself at a distance" from the government, although it was in the beginning a staunch supporter of the New Order. NU showed an attitude of "loyal opposition".

There were at least three factors that: caused NU to take such an attitude: (1) NU -- at that time -- became a prominent Islamic political power, after Masyumi had been dissolved; (2) was the appearance of "idealistic" figures within NU. Two figures with critical views, although in different versions, were Subchan ZE and K.H. Bisri Syamsuri. Subchan's criticism of the Government was, besides being based on NU-values, also due to liberal values which had entered into the party. On the other hand *Kiai* Bisri Syamsuri was a *fiqh* scholar who was known to be most firm with regard to the values of truth he lived up to. Unlike *Kiai* A. Wahab Hasbullah who adopted the most lenient laws, *Kiai* Bisri preferred to adopt stricter laws.[53] Kiai Bisri's *fatwahs* appeared therefore often to be severe, only knowing the alternatives *"halal* or *haram"* (permitted or forbidden). On the other hand there also came to the fore politicians in NU's leadership with the consequence that *fiqh* considerations in deciding its behaviour was then mixed with political considerations. (3) NU considered itself as one of the groups that have given birth to the New Order, so that psychologically it also felt to have the rigth to take part in deciding the direction of the New Order. On the other hand NU saw that the initial strategy of the New Order had indeed been closed to outside forces, i.e. those, who were not its supporters. In addition, the choice for a coalition was indeed not in a political party.

Second, was the "accomodationist" response. This occurred -- in particular --after having accepted Pancasila as the sole principle, and having separated from PPP. Nevertheless this accommodationist attitude does not mean that NU was dragged along by the socio-political environment, because such an attitude was still in the framework of *fiqh* considerations.

But the two attitudes were not contrary to one another, because both were still

[53]Abdul Azis Masyhuri, *Al Maghfuriah K.H.M. Bisri Syansuri: Cita-cita dan Pengabdiannya* [His Aspirations and Dedication] (Surabaya: Al-Ihlas, 1983), 62-63.

within the limits of *fiqh* consideration.[54] When the socio-political environment is contrary to its basic values, NU will take a "radical" attitude. Besides *fiqh* values -- *Ahlussunnah wal jamaah* -- the leadership that manages NU also contributes to the colouring of the responses given to the socio-political environment.

Political attitudes that seem to be inconsistent, according to Abdurrahman Wahid, may occur as long as these do not coincide with a number of religious teachings.[55] For example, NU's attitude towards Communism is a political attitude that coincides with its religious belief, but NU's attitude towards prisoners involving religious and communist groups, is merely a political matter. And NU's attitude towards Pancasila is hemmed in between a political and a religious attitude. Not simple indeed, although Abdurrahman Wahid simplified it in such a way that NU's approach towards a problem has always been of a cultural character, depending on the perspective "from where one looks at things".

[54]There is a critical evaluation that the *fiqh* consideration is a justification of its behaviour towards reality.

[55]Abdurahman Wahid, *"Pendekatan NU Selalu Kultural,"* [NU's Approach is Always Cultural], *Pelita,* 10 November 1984.

PDI in the Face of the 1992 General Election

Al. Baroto

Introduction

THE Indonesian Democratic Party (PDI) historically is a fusion of five political parties, which have been mutually competing in the General Elections of 1955 and 1971, namely the Indonesian National Party (PNI), Indonesian Christian Party (Parkindo), Catholic Party, Murba Party and the League of supporters of Indonesian Freedom (IPKI).[1] The product of this fusion was afterwards strengthened in the Congress of the PDI in 1976 which decided that 10 January 1973 was the official date of the founding of the PDI[2] which was endorsed in the second Congress of the PDI in 1981 with a joint pledge of the end of the existence of the aforementioned five parties which had entered a fusion.

In the course of time the PDI has grown into a political organisation that is often afflicted by various disruptions as a result of internal conflicts. However, in the General Elections of 1987 PDI succeeded in causing a "surprise" which was reflected in the sudden increase of votes compared with those of the previous general election. From 7.88 per cent of the votes with 24 chairs in Parliament (DPR) in 1982 it became 10.87 per cent of the votes with 40 chairs in the 1987 General Election. Based on this experience the present problem is: is the PDI under Soerjadi and his comrades able to eliminate various obstacles which have so far hampered the development of the party, externally as well as internally, in order to generate more successful results in the coming General Election of 1992?

In connection with the above mentioned problems, this article tries to consider several

[1]This fusion was executed based on the restructurisation policy of the New Order government, according to MPRS (Provisional People's Consultative Assembly) Decree No. 27/1966, see Manuel Kaisiepo, *"Dilema Partai Demokrasi Indonesia: Perjuangan Mencari Identitas", Prisma,* 12 (December 1981): 71.

[2]See M. Djadijono, *"Perjuangan PDI untuk Meningkatkan Peranan dan Posisinya dalam Percaturan Politik Indonesia", Analisa* (1986-7): 775; see also *Sinar Harapan,* 17 January 1981.

factors, internal and external, those that have slowed down as well as those that have speeded up the success of PDI in the General Election of 1987. Besides, various preparations in the party will also be highlighted in anticipating the General Election of 1992, especially after PDI's surprising success in the previous general election.

Causes of PDI's Weakness

Generally it can be said that the factors that slow down the development of the PDI can be viewed from two aspects, internal as well as external. The internal factors which seem to weaken the cohesion of the PDI when it came into existence seem to be the result of the fusion of various political parties with different backgrounds and ideologies. Such a situation causes prevailing difference of opinion between former leaders of fused parties which and has resulted in the difficulty to reach a compromise in defining the identity of the party. External factors can be seen in the force from above that was used to fuse the party.[3] In such a condition an infiltration by external forces that further weakens PDI is not impossible. Internal factors which emerged at the birth of the PDI are the question of the party's identity. The attributes and the identity of the PNI still appear to play a dominant role in the PDI. For instance the party symbol, PDI uses the picture of the head of a bull as was used in the past by PNI, although the form is different. This is also the case with the selection of the colours red/black and the symbols in the form of a picture of Bung Karno, everything suggests that the PDI is a metamorphosis of the PNI in a new form. This stands to reason since PNI is the most dominant element in the PDI and in its history used to be the biggest party in Indonesia (1955). The presence of PNI, once the "biggest" party, in the PDI clearly has its advantages.[4] However, considered from its development in the future, this factor may precisely disadvantageous. Unlike the PPP which originates from parties based on religion (Islam), the elements of the PDI are not homogeneous. For other elements outside PNI the domination of the PNI coloured by nationalist-marhaenist principles in providing the colour of identity to PDI may give rise to feeling of a kind of jealousy.

The impression of jealousy have been expressed in some cases which happened, such as the statement of "leaving PDI" made by one element of PDI in Madiun on 20 November 1981,[5] and the idea about the need of a change in the political organisations in In-

[3]Fusion constitutes the will from (above) the government based on its power. Even some people evaluate that "the execution of the fusion was accompanied by a feeling of being forced"; see Daniel Dhakidae, *"Pemilihan Umum di Indonesia: Saksi Pasang Naik dan Surut Partai Politik"*, *Prisma*, 9 (September 1981): 33-34; see also the opinion of Sanusi Hardjadinata in *Kompas*, 13 January 1981.

[4]In the General Election of 1955 PNI obtained 22.3 per cent of the votes, whereas the four other parties only got 6.5 per cent; see Alfian, *Hasil Pemilihan Umum 1955 untuk Dewan Perwakilan Rakyat* (Jakarta: Leknas - Lipi, 1971), Table II, page 9. But in the General Election of 1971 it went drastically down to 6.91 per cent whereas the total votes of the four other parties were only 3.1 per cent, see Samsudin, et.al., *Seri Berita*, Table IV, 154-155. Former figures of PNI beeame figures in PDI, as most of them had had an important function/position in the party or in legislative/executive bodies, *Merdeka*, 16 September 1988.

[5]Elements of the former Catholic Party left PDI Madiun with the reason, "they felt that the dominant majority harmed the minority", see Kaisiepo, *"Dilema PDI"*, 78; see also Riza Sihbudi, *"Problematika Parpol di Indonesia: Kasus PDI"*, *Analisis*, XIX, 1 (January-February 1990): 72.

donesia from three to five: one Golkar, two religious parties and two national parties.[6] Besides, the result of the collecting of votes in the region of Maluku and Nusa Tenggara Timur in the General Election of 1987 (which are known as the bases of the Christian parties) reflects a decline of support of the Christian groups to PDI.[7] But this lack of support may be the result of the "bulldozer" technique which was applied by the government to enable Golkar to win in the past.

Efforts to secure a new identity for PDI are slowed down by the background of the founding of this party itself. Formal efforts in this direction have been made by the joint pledge which was made at the second Congress in Jakarta in January 1981. The fusion succeeded in formulating the identity of PDI which was included in its statutes namely: "to have the character and the qualities of the Indonesian Democracy, the Indonesian Nationality and Social Justice".[9]

Although this formula seems to have a close connection with the views of nationalism and socialism which originally were the views of the three elements (PNI, IPKI and Murba) yet there were no reasons for the Christian parties to reject them.[10] On the contrary, if the name of Bung Karno linked with marhaenism was accepted, this would certainly cause a problem for the PDI to find support from elements outside the PNI, especially among the elements of the Christian parties. Since the founding of the party up to now it is clear that PDI has not been able to free itself from the shadows of the great name of Bung Karno, which seems to have become one decisive factor of the success of PDI since the General Elections of 1971, 1977, 1982 up to the General Election of 1987. Even now it appears that in the preparations anticipating the General Election of 1992 the names Megawati and Guruh (daughter and son of Bung Karno) are brought to the fore not fully on their own achievements, but more because of their connection with the figure of this proclamator.

On the other hand the supporters of PDI of the PNI elements who still maintain the principles of marhaenism will accuse the PDI of only using the charisma of Bung Karno for the benefit only of their campaign. It is not possible that PDI will fully adopt the Soekarno doctrine, because aside from being

[6]The concept of Frans Seda, former leader of the Catholic Party, see *Prisma,* 12 (December 1981): 81. This concept can be evaluated as a reflection of the wish to form a party identified by religion outside the existing parties.

[7]Nationally PDI experienced an increase in the 1987 General Election, but the number of votes in Maluku and NTT, which originally were the bases of the Christian votes, were only very small. In the 1971 General Election, the parties in Maluku which afterwards joined with PDI obtained 27.39 per cent of the votes and one DPR seat, but in 1987 PDI acquired 5.24 per cent and no seat at all. The same happened in NTT, from 35.38 per cent of the votes and four seats in Parliament they went down to 3.94 per cent of the votes and only one seat. See Tables V.3, V.4, V.6, V.6a, in *Laporan Pemilu Tahap II,* as quoted by Riza Sihbudi, *"Kasus PDI"*, 73.

[8]"Buldozer" has been an expression used in the press since 1971, to picture the measures taken by the government in the General Election of 1971, that were considered to be unjust and accompanied by intimidation to make Golkar win.

[9]See *Prisma,* 12 (December 1981): 68-81; see also Daniel Dhakidae, *"Pemilu di Indonesia"*, 31; see Manuel Kaisiepo, *"Dilema PDI"*, 68-83.

[10]See ibid.; see also *"Melepaskan Ketergantungan Ideologis"*, interview with Dr. Alfian, *Panji Masyarakat* 542 (11 June 1987): 58-62.

against Law (UU) No. 3/1985,[11] the party will also be branded as an "old order party".

However, the latest developments show that the crisis which involves figures of different elements is not too serious.[12] The present conflicts seem to be caused by private and group interests rather than element's interest.[13] Whereas conflicts usually gain momentum shortly before holding a congress or near general elections.[14] What often happens are competitions to obtain a position in the leadership of the party,[15] because this position is a short cut to obtain a position in a legislative body, especially the Parliament. In other words, the conflicts that happen in the body of the PDI are more often caused by struggles for a position/function, inside as well as outside of the structure of the party. The problem becomes more complicated as at this moment PDI has not yet succeeded to obtain enough chairs to divide among its supporters.

If various conflicts which happen are analysed according to their quality and type, since the first Congress there have been two types of conflict namely inside and outside of the management of the party. Conflicts inside the party structure include as follows: conflicts between the members of the Central Board (DPP) and conflicts between DPP and the Region Board (DPD)/Branch Council (DPC). The efforts to solve the conflict generally involves the government apparatus, but the settlement of the conflict is usually only temporary[16] and leaves re-

[11]See footnote(s) no. 10; Soekarno himself has clearly stated that marhaenism is a type of marxism that has been adapted to the conditions of the Indonesian society, see Kaisiepo, *"Dilema PDI"*, 75.

[12]The elements of PNI are so numerous in PDI so that *a conflict between these elements seldom happens.* Conflicts that can be considered as a dispute between elements was the conflict between Achmad Sukarmadidjaja/Mudin Nasution (IPKI/Murba) against Sanusi Hardjadinata/Usep Ranadidjaja (PNI) that was supported by the Catholic Party and Parkindo, see Manuel Kaisiepo, *"Dilema PDI"*, 81; see also Sjamsudin Haris, "Party Conflicts Under the New Order: Patterns and Tendencies", *Indonesian Quarterly,* XVII/3 (Third Quarter 1989): 255; see also Silvester Mbete, A.M. *"Rendahnya Komitmen, Sumber Konflik dalam Tubuh PDI"*, in *Merdeka,* 16 September 1988.

[13]Conflicts that find sources in *private interests e.g.:* (1) between Sanusi/Usep and Isnaeni/Soenawar, this seems to be dualism in leadership as the result of a conflict that happened during the First Congress in 1976 and was terminated by the government that sided with Isnaeni/Soenawar, because they appeared more moderate; (2) Isnaeni/Soenawar against the group of four (Usep, Abdul Madjid, Ny. D. Walandouw and Zakaria Raib), ended by the dismissal of its members, and happened round the Second Congress of 1981; (3) Sanusi Hardjadinata vs Isnaeni/Soenawar happened after the General Election of 1977 and was solved by BAKIN, see Silvester Mbete, *"Sumber Konflik PDI"*; see also Sjamsudin Haris, "Party Conflicts", 261-262. In these conflicts they did not represent the interests of certain elements neither of the party.

[14]*Conflict round Congresses/general elections:* (1) Achmad Sukarmadidjaja/Muhidin Nasution vs Sanusi/Usep, round the election of 1977; (2) Soenawar vs Hardjantho, before the Third Congress (1986); (3) Soerjadi-Nico vs Kemas Fachrudin and his friends etc., see footnote no 14; see also Kaisiepo, *"Dilema PDI"*.

[15]*To vie for a position:* Achmad Sukarmadidjaja/Muhidin Nasution vs Sanusi/Usep; Sanusi vs Isnaeni/Sunawar; Hardjantho vs the powergroup of Soenawar at the Third Congress; & Soerjadi/Nico Daryano vs Kemas Fachrudin cs in 1987, ibid.

[16]See Dennis C. Pirages, *Stabilitas Politik dan Pengelolaan Konflik* (Jakarta: FIS-UI, 1982), 7; *"Intervensi pihak ketiga tidak banyak membantu penyelesaian konflik"* ("Intervention from a third party does not really help the settlement of a conflict"). Generally in a difference of opinion between two groups, each of them tries to win the sympathy of the government, hoping that the government will side with one of them and let that party win. If the government does not side with one of the parties, the conflict is inclined to protract and will

mainders of the conflict which form the seed of a new conflict. The following analysis explains: (1) a conflict between members of the Central Board Council; (2) conflicts between DPP and members of the PDI faction in the DPR/MPR (House of People's Representatives/People's Consultative Assembly); (3) conflicts outside elements; (4) disorder at DPC level.

First, so far as can be observed, the conflict between members of the central board is the largest compared with the other internal conflicts. The greatest conflict that ever happened was the conflict concerning the top leadership of the party just at the moment before and during Congress III in 1986, between Soenawar Soekowati, at that time general chairman of the DPP and Hardjantho, Deputy Chairman of the MPR/DPR of the 1982-1987 period, both of them former members of the PNI. This conflict started with a difference of opinion about the statement "Indonesia is a secular country" that was launched by Soenawar in 1985.[17] This quarrel developed into a difference of opinion concerning the time arrangement of the third congress, Soenawar wanted the congress after the 1987 General Election whereas Hardjantho wanted it before,[18] as the situation at the time was very favourable for Hardjantho's ambition who to move to the position of Soenawar through the congress. On the other hand Soenawar only wanted a National Congress, because by rejecting a party congress he could retain his seat as chairman. The conflict subsided with the death of Soenawar in January 1986, then it flared up again and involved a lot more groups.[19] The consequence was that the third congress failed to elect a representative to form a new central board, so that the Minister of Home Affairs Soepardjo Roestam was forced to take the situation in hand. He appointed Soerjadi as the new general chairman of the DPP PDI, and the conflict seemed to have ended.[20]

consume much time. On the other hand, however, if the government sides with one of the parties, the conflict will subside, but afterwards there will appear again the seeds of a new conflict, see Sjamsudin Haris, "Party Conflicts", 256; see also *Tempo* 4 (19 April 1986).

[17]The statement that "Indonesia is a secular state" by Soenawar in 1985 was strongly opposed by Hardjantho as it was considered to contradict the 1945 Constitution, and consequently aroused a feeling of pro/contra in the whole society and was estimated to lower the image of PDI. Hardjantho tried to use this issue to remove Soenawar. See ibid.

[18]This momentum was used by Hardjantho to propose that the Third Congress should be held before the General Election of 1987, as the conditions then supported the ambition of Hardjantho to remove Soenawar through the congress. But Soenawar rejected the congress and proposed a "National Congress", instead with the reason, so as not to disturb the General Election of 1987. It was evident that by refusing the congress Soenawar wanted to remain the chairman of the party; ibid.

[19]After the death of Soenawar, Hardjantho's proposal for the Third Congress was immediately carried out (April 1986) but Soenawar's supporters had already prepared Achmad Subagyo (a figure of the ex PNI elements of Central Java) to take the position of Soenawar, so that Hardjantho failed to fulfill his ambition. At the time of the Third Congress, appeared candidates from various sides: Hardjantho, Gde Jaksa, Achmad Subagyo and Soerjadi, each with their own supporters. For a better understanding read *Merdeka,* 16 September 1988; see also *Pelita,* 18 April 1988; see also *Tempo* (18 January 1986); 16 and (19 April 1986): 12-13; see also the dailies *Suara Karya, Kompas, Merdeka* and *Suara Pembaruan* which came out from 17 April up to and including 3 May 1987, which brought much information about the organisation of the Third Congress of PDI with various upheavals that happened.

[20]There is evidence that afterwards new conflicts appeared not long after Soerjadi had been chosen as the new chairman of DPP PDI.

Although Soerjadi never took an active part in the leadership of the PDI, he is known as an activist in the party who was never involved in the various conflicts that happened. His appointment apparently goes parallel with the strong inclination among the youth as well as the bureaucratic members to bring to the fore personalities who were clean from the conflicts in the past. The appointment of Soerjadi seemed to have brought a positive influence on the development of PDI. The image of the party and the sympathy of the party began to increase as is reflected in the amount of votes collected in the General Election of 1987, that was held only a year after Soerjadi became General Chairman. But this does not mean that the conflicts have been completely resolved. When Soerjadi came on the scene, immediately arose a "crisis" of support and the impression that the party was not firm enough and had not enough autonomy.

Second: The symptoms of a crisis of support seem to mark the beginning of a conflict between DPP and the members of DPD or the members of Parliament Faction PDI, and it began with the rejection of the leadership of Soerjadi by the old leaders.[21] This attitude is reflected by the protest against the decision of the DPP PDI No. 059/1986, that limited the tenure of the members of the PDI in Parliament maximally to two periods. The implementation of this decision did not run smoothly. Three among a number of members who were subject to this decision were not willing to withdraw.[22] Ironically, the settlement of this case which had also involved the bureaucratic apparatus, precisely gave the impression of inconsistency and lack of autonomy of the DPP PDI to apply the rules of the game which they had made themselves. Because based on their decree (SK) these three persons should have withdrawn but in reality they kept their positions in Parliament.[23]

Lack of authority of the Central Board of the PDI was also evident in the case of filling the position of Deputy Chairman of MPR/DPR and Chairman of the PDI Faction in Parliament for the period of 1987-1992. However, the Central Board had already appointed Soerjadi as candidate for Deputy Chairman of MPR/DPR and Fatimah Achmad as candidate for Chairman of the PDI Faction. But a number of former prominent figures the PNI suggested other candidates who were more capable.[24] The disruption developed further by the appearance of the *"Kelompok 17"* (the group

[21]Many, old-time figures, especially from PNI, because of various reasons were not so happy with the appearance of the Soerjadi generation. This was partly caused by the fact that the Central Management Board was estimated "to be to close to those in power", as was claimed at the party by an ex-PNI figure, Manai Sophian in Jakarta on 27 July 1987. Hardjantho stated to be not so happy with the management of the party that was arranged, see *Tempo* (17 January 1987): 13-14; and that not less important that impression came to the fore that "the principles of discussion", had not been fully realised by the DPP PDI under Soerjadi, see Silvester Mbete, A.M., *"Sumber Konflik PDI";* see also *Pelita* 29 March 1988.

[22]The protesters were: Kemas Fachruddin (an PNI element, Chairman of the Regional Board of PDI in South Sumatera), F.C. Palaoensoeka (an element of the Catholic Party, Chairman of the Regional Board of PDI in West Kalimantan) and Achmad Subagyo. See *Tempo* (8 April 1988): 5.

[23]But later on all the figures of the protesters were recalled and discharged from the membership of PDI. See *Tempo* (27 September 1986): 12.

[24]A number of old figures motored by Jusuf Merukh had proposed Achmad Subagio as candidate for Deputy Chairman PDI in Parliament and Dudi Singadilaga as candidate for Chairman of the Faction.

of 17)[25] which clearly rejected the policy of the Central Board under Soerjadi, especially in the general sessions of MPR. Furthermore they even organised a counter Central Board of the PDI which was announced in the session of the consultative council of the party (MPP) in 1988.[26] To overcome this problem, the Central Board of the PDI (DPP PDI) issued Decree No. 121/KPTS/III/1988, the contents of which discharged eight members[27] which were associated with the group of 17. This discharge and recalling was brought to court by those who were discharged, but both the District courts of Central Jakarta and East Java upheld the decision of Soerjadi-Nico Daryanto.

Third: The conflict outside the structure happened after the group of 17 had in vain tried to defeat Soerjadi in court. As they were not satisfied, they continued their efforts through other means. Most conspicious was the emergence of the national committee to save PDI *(Panitia Nasional Penyelamat PDI).*[28] This group made several attempts to influence regional branches of the PDI, or to make close contacts with the bureaucratic elite.

Approaching the period of the 1992 General Election the shake-up of the old figures and the opponent of Soerjadi seemed to become more active. On January 5, 1991 Isnaeni, Achmad Sukarmadidjaja and Ben Mang Reng Say (three of the five signatories who signed the declaration of the fusion of five political parties on 10 January 1973) visited the Home Minister Rudini. They accused Soerjadi of prolonging his function period,[29] and expressed their concern that the leadership of Soerjadi would endanger the integrity of the PDI. Besides they proposed to the Home Minister to rehabilitate the members that had been discharged by Soerjadi.

In June 1992 Marsoesi (the former head of the regional board of PDI in East Java who had initiated the group of 17) accused Soerjadi of political manipulation by falsifying two pages of a declaration by the central board of the PDI on 2 May 1986 (one sheet of which was handed over to then Home Minister Soepardjo Roestam). On this second sheet numeral one was wiped off and replaced by numeral three, so that the period

[25]Group 17 was motored by H. Teuku Thaib Ali, a member of the PDI Faction, who served currently as the Chairman of the Aceh Regional Board of PDI. He seemed to be a person with great influence. The momentum to be used by the group of 17 to activate the Regional Board of PDI DKI Jakarta was connected with the turning up of the concept of Nico Daryanto, Secretary General Central Management PDI, concurrently Chairman of the PDI Faction in Parliament, who proposed to abolish religious instruction in formal schools; this concept was rejected by the PDI circles themselves; it even aroused protests from various Regional Boards of PDI against the leadership of Soerjadi-Nico Daryanto; see *Tempo* (5 December 1987).

[26]MPP (the Party's Deliberative Council) has the highest power in a party between two congresses. See also *Pelita,* 29 March 1988.

[27]Those who were discharged include: Soeparman Adiwidjaja, Dudy Singadilaga, M. Darwis, F.C. Palaoensoeka, Kemas Fachruddin, Marsoesi, Thaib Ali and Jusuf Merukh. The following July Jusuf Merukh brought the case to the district court in Jakarta. Soerjadi-Nico Daryanto were surrounded by "remainders of the first generation" of the party, from the tip of Sumatera to Kalimantan, East Java, West Java and DKI Jakarta. But the court decided that Soerjadi-Nico had won the case and that the plaintiffs had to apologize through advertisements; see *Tempo* (8 April 1988): 5; see also *Pelita,* 29 March 1988; and *Suara Pembaruan,* 10 August 1988.

[28]This committee consisted of 50 persons and was motored by "Group 17", see *ibid.,* 29 March 1988.

[29]See *Jakarta-Jakarta,* 237 (12-18 January 1991): 21; see also *Suara Karya,* 20 January 1990.

of the management of the central board of the PDI was extended from five years (1986-1991) to seven years (1986-1993). Therefore the management of the central board of PDI was considered to be demitted as of 2 May 1991, and the PDI would have to hold the Fourth Congress at the latest in July 1991.[30] For this purpose the opponents of Soerjadi formed a transitional council with Achmad Soebagyo as chairman and M.B. Samosir as secretary general. In mid-June this group mobilised hundreds of sympathysers to Parliament and tried to obtain sympathy and assistance from the ABRI (Indonesian Armed Forces) Faction.[31]

In response to this row, the central board of PDI stated that the extension of their leadership had already been legalised in the a Decree No. XII/KPTS/*Kongres* III/PDI/IV 1986. In article 30, additional regulations of AD/ART (statutes and bylaws) of PDI it was mentioned that the Fourth Congress of the PDI would be held in April 1993, after the general sessions of the People's Consultative Assembly (MPR). The decision to extend the period of service had been legalised on 18 April 1986 and had been signed by the leaders of the session at that time, Chairman F.S. Wignyosoemarsono and Secretary Sabam Sirait.[32] The aim to change the cycle of five years which was in force up to the Third Congress was caused by the fact that this congress always happen one year before the general election, so that the new board has not enough time to prepare itself for the general election. According to Wignyosoemarsono, after the Fourth Congress the period for a new leadership would be again five years. In this way the central board that would be formed, would have four years' time to prepare itself for the next general election.[33]

Although the demands of the opponents of Soerjadi were incessant to speed up the holding of the Fourth Congress, Soerjadi and his friends felt at ease as long before Home Minister Rudini had affirmed that as of July 1991 until after the completion of the General Election of 1992 there would be no congressional activities, which were feared to disturb the smoothness of the general election. The ABRI Faction seemed to support the idea of Soerjadi's opponents to speed up the realisation of the Fourth Congress, but Rudini stated that parliament was not an institute that could provide recommendations or support whatever for the organisation of a congress.[34]

Fourth: Meantime the trouble outside the structure in turn also influenced the regional branches of PDI. Most of the issues were about problems on the board personnel in the regions and a crisis of support with regard to the leadership of Soerjadi. The problems that arose at the branch level was caused by a counter PDI Branch (DPC) in Bandung only about six months after the close of the Third Congress. This case originated in the dualism of the leadership of the DPC of PDI in Bandung that involved

[30]See *Editor* 40, IV (22 June 1991): 25-26.

[31]Ibid., see also *Tempo* (15 June 1991): 26-27.

[32]Ibid.

[33]The efforts to postpone this Congress were experienced by PDI since the Second Congress (1988) and the Third Congress (1986). If the statutes and the bylaws at that moment (that said the the execution should be changed every four years) had been used as conciliation, then the Second Congress could have been held before and the Third Congress four years later; see Sjamsuddin Haris, "Party Conflict", 266. But this time period was later extended to seven years; see *Tempo* (15 June 1991): 17.

[34]*Jakarta-Jakarta* 247 (12-18 January 1991): 21; and *Editor* 40, 26.

Dodo Gandamihardja (a new figure supported by the DPP PDI) and Tarwia Sutandi (an old figure). As a consequence Tarwia was dismissed from the party by the DPP, but Tarwia, who was supported by 16 commissariats of PDI Bandung rejected the dismissal. This case was concluded by a flight of thousands of members of the PDI to Golkar.[35]

Nearly similar cases happened in other different regions, such as Lampung, Riau, East Java, some regencies in Central Java and West Java including Jakarta, among others the incident of the protest of the PDI branch in Medan that considered the election of the chairman of their region as not fair. They showed their protest by occupying the building of the PDI secretariat at the Diponegoro street for several hours and went on a hunger strike.[36] In June appeared a group that called itself "Group 9" and stated that they represented PDI members of nine provinces to protest against the leadership of Soerjadi. The next month there was a crisis caused by the kidnapping of Eddy Sukirman (former leader of the Democratic Youth) and Agung Iman Sumanto (former leader of PDI Branch of Eastern Jakarta), both of them supporters of "Group 9". Alex Asmasubrata (chairman of the regional PDI board in Jakarta) was accused of being the mastermind of this kidnapping. Afterwards "Group 9" mobilised hundreds of *Pemuda Demokrat Surabaya* (Surabayan Democratic Youth) sympathysers to visit the secretariat of the PDI central board in Jakarta.[37]

[35]See *Tempo* (29 November 1986): 13.

[36]See *Suara Karya*, 15 December 1989, 19 August 1990 and 4 September 1990; see also *Suara Pembaruan*, 10 August 1988, *Pelita* 20 July 1988, 4 November 9189, 15 & 28 September 1990; and *Antara*, 31 August 1990.

[37]*Tempo* (15 June 1991): 22; and *Editor* 40, 17.

Hence it can be concluded that during the five year leadership of Soerjadi-Nico Daryanto PDI was not able to free itself from internal troubles which stick on the body of this party. Yet compared with patterns in the past, the conflicts after the congress showed a change. When previously the conflicts always happened in the area of the central board, during the leadership of Soerjadi-Nico Daryanto the conflicts in the centre have been dampened. It is apparent that with the increase of the crisis in the structure of management (whereas the support of the government to Soerjadi is obvious) Soerjadi-Nico have more leeway to clean the structure from political opponents, and on the other hand are able to select supporters to take part in the management, so that the leadership of the party will become more solid and stable.

It is interesting to observe that various crises, that turn up always involve old figures, who in fact have enjoyed the glory and the skill in the political activities of the past. They have also enough shares in the formation of the PDI and most of them originated from PNI elements. As a party that was once the largest and the most dominant, PNI was really expected to become the main factor to support the growth of the PDI, however on the contrary it has bequeathed internal conflicts.

In the course of its history the PNI since the period before the Independence of the Republic of Indonesia, this party was coloured by many rifts. In the 1930s PNI broke up in two factions between Mohammad Hatta-Sjahrir who wanted the PNI as a party of education, and that of Soekarno-Sartono who wanted PNI to be a mass party. On the eve of the General Election of 1955, PNI split up again because Mr. Djody Gondo-

kusumo and his friends left the party and founded a new party, the Greater Indonesia Party (Parindra). But in this election PNI remained in power and was the largest party. The most serious split of the PNI occurred shortly before the G.30.S./PKI (30th September movement of the Communists), between the Ali-Surachman group and Osa Maliki-Usep Ranuwidjaja group (Osa-Usep). The group under Ali-Surachman was in the beginning officially recognised by the Old Order Government, but when the New Order Government came to power the group Osa-Usep was officially recognised by the New Order Government. Since that moment PNI declined and never rose again.[38]

The efforts of Soerjadi-Nico to lessen conflicts by dismissal and recalling of those who did not follow the policy of the party were not heeded. The party that suffered even tried to incite the public through setting up "Group 17", "National Committee to save PDI" and finally "Group 9". Besides individually or in groups they lobbied government elites. In the past this method was applied generally with sufficient success. The party that lost could change its defeat into victory by support from extra forces from outside the party, and government elite to interfere (such as BAKIN = National Intelligence Coordinating Board, KOPKAMTIB = Command for Restoration of Security and Order; and others).[39] However, now it is clear that only the Home Minister, giving political guidance to this country, including socio-political organisations, has the authority to do so.

The support of the government to the management of the Central Board of PDI as the result of the Third Congress is evident. The legally formal approach adopted by the government is the cause that forces outside the formal management find it difficult to find elbow-room. Activities outside the structure will easily be classified as illegal and unconstitutional movements. The present central board of PDI has "a place to depend upon and to get protection", so that one by one its opponents have been purged.[40]

However, the settlement of such a conflict signifies another problem, namely the fragility of the structure of solving conflicts in PDI and the weakness of the constitutional authority in this party. As a party its primary essence should also become a means to express conflicts, and at the same time capable of handling existing conflicts. Without that capability the dynamics of conflicts may precisely be self-destructive. Therefore the setting up of an independent conflict mechanism is very important so that the expressed conflicts can be reshaped into forces that are able to push the progress of the party.

The method used by Soerjadi-Nico to settle several problems by recalling and dismissal have strengthened the allegations that PDI has left the principle of *"musyawarah dan mufakat"* (deliberations and consen-

[38]The opinion of Burhan D. Magenda in *Editor* 49, IV (24 August 1991): 17.

[39]Sjamsuddin Haris, "Party Conflict", 256 & 261-262.

[40]Manuel Kaisiepo uses the expression of the pattern "upward dependence", see Kaisiepo, *"Dilema PDI"*, 74; see also Riza Sihbudi, *"Problematika PDI: Beranikah Melakukan Terobosan Bermakna?" Suara Pembaruan,* 11 February 1988; see ibid., 20 January 1990; The Minister of Home Affairs Rudini said among other things that the Government only recognises the Central Board of PDI, as a result of the Third Congress as the legal DPP PDI; there is no tolerance to whoever commits unconstitutional measures, *Suara Karya,* 15 December 1989.

sus). On the other hand, the method of recalling and dismissal which always were based on a decree of the central board and based on the statutes (AD) and bylaws (ART) can clearly be justified from the organisational point of view, as the central board (DPP) felt its competence and authority being sabotaged by the group that was stirred up by figures of the first generation of PDI who essentially want to undermine the authority of the central board. But before the verdict is announced, as a leader who should give priority to the principle of "deliberation and consensus", certainly this should be given priority. It seems that in the PDI this is not executed as it should.

Factors of the Success of the PDI in the Election of 1987

Apart from several weaknesses which were still found in the leadership of PDI's central board appointed by the Third Congress, Soerjadi and his friends were able to obtain a soaring increase of votes which was "startling" in the Election of 1987. When the new leadership had only been in power for one year, while the situation was still overshadowed by various conflicts and the trauma of the defeat of the 1982 General Election, and compounded by the scanty amount of funds, PDI had already to enter the arena of the 1987 General Election. Nevertheless, although in a situation that was so apprehensive PDI succeeded to double the number of votes almost twice.[41]

The success of PDI was dependent on a number of factors, internal as well as external. At that time PDI did not have a target in the number of votes nor in the number of seats to be obtained in parliament because it was still in the period of consolidation. Therefore it had no burden whatsoever when it entered the arena of the 1987 General Election. Perhaps this absence of burden became one of the factors that supported the appearance of PDI so that it came to the fore as it was with even a low profile attitude.

Besides there were some other internal factors that clearly influenced the success of PDI. *First:* The leadership of Soerjadi which was very much supported by the younger generation of the PDI improved the image of PDI. They were appraised as to be free of the shame of the conflicts in the past. This became one of the factors that caused the success of PDI in attracting the sympathy of the younger generation. Other measures taken by the PDI which can be evaluated as improving the image of democracy was the Decree No. 59/DPP/KPTS/1986 about the prohibition of double positions in the party's circles, and a limitation of tenure of DPR members of the PDI Faction to a maximum of only two periods, with retroactive effect since the results of the 1977 General Election.[42]

[41]The idea "twice as many" is really not realistic, because the number of seats in Parliament that could be contested in the election of 1987 was only increased with 16 seats. Based on the number of seats in DPR, there is only an increase of 6,59 per cent to 10 per cent for PDI, this means an increase for PDI of 51,74 per cent. See Supplement II *"Pembagian Kursi DPR Hasil Pemilihan Umum 1977, 1982 dan 1987"* (Distribution of Seats in Parliament as the Result of the General Elections of 1977, 1982 and 1987), quoted by M. Sudibjo in *"Pemilihan Umum 1987"*, *Analisa* (1987-7): 665.

[42]The prohibition of a double position: Chairmen of the Regional Boards (DPD) are not allowed to become members of Parliament and chairmen of the branch managements (DPC) are not allowed to become members of the first level Regional Representative Council. See *Keputusan-keputusan Sidang ke-1 Majelis Permusyawaratan Partai (MPP), Partai Demokrasi In-*

In a special way PDI approached groups of women and young people. The aims were groups of women who did not have special connection with the bureaucracy, as in these groups the women are not obliged to be loyal to certain contestants in the elections. Young people also became the target as it was estimated that about 10 per cent of the voters were young people who for the first time used their right to vote.

In various campaigns, PDI came to the fore in a new atmosphere and with a new face that was very different from appearances in previous general elections. Young faces came to the fore in the leadership of the party and gave the impression that there was a determination and enthusiasm to complete the fusion in the party's body. This action is not impossible to be executed, especially supported by the fact that the greater part of the new group of PDI leaders do not have a strong connection with the elements that were the basis of the fusion of the party.

Second: The appearance of the young figures in the PDI, directly or indirectly has been able to create a new image of the party as "the party of the future". Besides, the theme "increase of the quality of democratic life", seems to have been able to attract support and sympathy of society which seem to want reformative efforts in the process of national development which is still in progress. The same holds good for the issues of PDI that show a commitment for the needs of the "lower class" and the interests of the younger generation. Although this is no new problem, PDI is able to develop a situation that agrees with the "conscience" not only by a part of the younger generation but also by those that want to protest against policies that are considered not right especially in terms of political rights, income gaps, justice and unemployment. On account of these facts PDI has succeeded to show itself as "the party of the small people" and at the same time as the "party of the future".[43] The image as a "poor" party was also shown by PDI by opening an "action purse" as assistance of the community to overcome the problem of funds faced by PDI in organising its campaign. This step clearly drew the sympathy not only from the supporters of PDI but also from society in general.

Third: One important factor which has clearly a major role in increasing mass support in different campaigns is using the image of Bung Karno, which from the beginning caused attitudes of pro and contra. This factor has been able to draw the sympathy of young intellectuals in big cities especially in Java, who seem to be thirsty for the appearance of an "idol", which at the same time seems to be the reflection of the young people who are not completely satisfied with the present situation and conditions. At the same time this factor becomes the "bait" to attract the traditional supporters of the defunct PNI. This was visible in the campaign visit that was undertaken by Megawati Soekarno Putri in different regions, that in

donesia (The decisions of the first session of the Party's Deliberative Council (MPP) of the Indonesian Democratic Party) (Cisarua-Bogor, 26 July 1988): 177; see also Alfian & Nazarudin Samsudin, *Kehidupan Politik*, 116.

[43]Tommi Legowo, *"Evaluasi Pemilu 1987"* (Evaluation of the 1987 General Election), *Analisa* (1987-7): 617; see also Jan Van de Kok and Michael Van Langenberg, "Political Developments in Indonesia in the First Half 1987: Electoral Politics and Comment", *Review of Indonesian and Malaysian Affairs*, 21, no. 2 (University of Sydney: Summer 1987): 164.

fact was able to draw mass supporters in abundance.[44]

Besides a number of internal factors that have been mentioned before, there are also external factors which influenced the success of PDI in the General Election of 1987. The *first* factor was the attitude of the Indonesian Armed Forces (ABRI) that was strict and correct in doing their duty, giving the impression of a more just attitude. Due to this attitude of the Armed Forces, the younger generation and protest voters dared to show themselves and a part of them channeled their aspirations through PDI, especially in the big cities where the political consciousness is greater.

The *second* factor that supported the success of PDI in the General Election of 1987 was the insufficient capability of PPP to consolidate internally as the consequence of internal conflicts that were dragging on. The failure of PPP to consolidate clearly led the PPP to its decline in various regions.[45] NU's return to the *Khittah* of 1926 and the statement made by NU leaders, that after the *Munas* (National Deliberative Council) of Situbondo 1984, NU was no longer bound to a single party, and each member of NU was allowed to vote for the party he liked, seemed to shock the supporters of PPP, that originated from NU. The consequence was that a great number of NU members, supporters of PPP crossed to PDI or Golkar.

The *third* factor was the support of the mass media, especially the press. The development that happened in the body of PDI in the period of one year after the Third Congress seemed to have attracted the interest of the communication media to spread various information on PDI. Accordingly from a crisis situation which threatened its existence, the party could in a relatively short time change into a lively and happy situation which was shown in various campaigns of PDI. The last round of its campaign in Jakarta, although the funds were extremely limited compared with other contestants, PDI was clearly creative in showing a display with available materials.

Facing the Election of 1992

The 1992 election is already on the threshold. Long before PDI has tried to prepare itself more intensively to anticipate a number of challenges which are rather serious in facing the 1992 General Election. Especially as some decisive factors in the last election seemed to be of only "temporary" character.

First, about the Bung Karno factor. Certainly PDI cannot continually rely on the importance of the great name of Soekarno to win the votes of the people, as this will just be contrary to the image of the party as "the party of the future" which should more rely on the "things that will happen" than turning to the past. The display of the picture of Bung Karno in several regions during the previous election did not appear to result in supporting the expected outcome.[46] On the

[44]Alfian & Nazarudin Samsudin, *"Kehidupan Politik"*, 105.

[45]Decline of PPP in obtaining seats in Parliament: East Java (-8), Central Java (-4), West Java (-3); Aceh, West Sumatera, South Sumatera, DKI Jakarta and South Kalimantan, respectively (-2). Riau, Lampung, East Kalimantan, North Sulawesi and Bali respectively (-1). In the whole nation PPP lost 33 seats in Parliament. See *Table 6a* "Increase or Decrease in Parliamentary Seats which were Obtained by Each Central Management Board", in Sudibjo, *"Pemilu 1987"*, 652.

[46]Megawati succeeded to attract campaign masses in abundance, but this fact did ot help to increase the

other hand the acceptability of showing of the picture to the young generation is still doubtful. The more so as there is a prohibition of the government to use the picture of Bung Karno in the coming election,[47] this fact obliges PDI not to push this factor.

Certainly it must be admitted that the appearance of Megawati and especially Guruh since the election of 1987 until now still has the charm that is able to arrest the attention of a great number of young people, although some people say this is only limited to the younger generation that belong to the elite group.[48] At present PDI itself does not seem to link the appearance of the brother and sister with the charisma of their father, but it is more attributed to their adeptness in communicating with the masses. It is clear that this ability has a great share in increasing the voice of PDI in the election of 1987 in Jakarta and other large cities.[49]

Second, the support of the younger generation in the big cities to PDI in the election of 1987 was due to the fact that they felt attracted to themes that were linked among others with problems of political rights, disparity in income, problems of unemployment and work opportunities. A projection of the composition of inhabitants for 1992 shows that the inhabitants between 17-39 years account for 43 per cent whereas the number of those of 40 years and older stands at 23 per cent. It was estimated that more than 10 per cent of the inhabitants (about 17 million) are young who have the right to vote for the first time.[50] These clearly were the assets to become the target of the struggle of the three organisations that participate in the general election (OPP), with almost the same theme of campaign.

Third, PDI cannot hope for a reoccurence of a rift in another political party, so that from there it can obtain additional votes for the party. Although the members of the NU have been advised to freely choose the party of their choice,[51] this will certainly not guarantee that the NU members crossing to the PDI will stick to their original choice. Especially as the development of PPP under their present general chairman Ismael Hasan

number of votes for PDI in East Java in the General Election of 1987. In this election PPP lost eight seats while the number of seats in Parliament to be contested had been increased by seven. So there were seven seats to be distributed between Golkar and PDI, but the result was that Golkar obtained fourteen additional seats and PDI only *one* seat; see *ibid.* Soerjadi and Megawati had already approached NU in a special way, but in the region that had been the basis region of NU which had experienced a decline in members and even in the regions that in the past were known as bases of PNI (Madiun, Blitar and others), PDI constantly did not succeed in obtaining an overflow of votes from PPP; see Wiratmo Prawiroyudho, *"Evaluasi Pemilu 1987 Daerah Jawa Timur"*, *Analisa* (1987-7): 686-699. The reasons why the members of NU former supporters of PPP did not vote PDI see ibid., 679.

[47]See *Editor* 49, IV (14 August 1991): 14.

[48]Wiratmo Sukito, in *"Visi dan Dialog"*, *Suara Karya,* 2 April 1991.

[49]PDI succeeded in getting votes from the poor of the urban areas in Java: West Java (+4); West Sumatera, DKI and Central Java (+ 2) in each of them; Aceh, East Java, West Kalimantan, Central Kalimantan and South Kalimantan ($1) respectively. Nationally PDI obtained an additional 16 seats; see Subagyo Partodihardjo, *"Perubahan Peta Politik DKI Jakarta Setelah Pemilu 1987"*, *Analisa* (1987-7): 666-685; but this addition was also caused by increasing the number of seats in Parliament that could be contested.

[50]BPS Indonesia (Central Bureau of Statistics) 1989, Jakarta.

[51]Jusuf Hasjim, Chairman of the Executive Board of NU, gave the assurance in front of the PDI cadre in East Java, in January 1991, that the members of NU were not bound to a certain Central Board but they were advised to elect freely, see *Merdeka,* 10 January 1991.

Metareum does not suffer from internal conflicts. Hence it cannot be ruled out that as a consequence members of NU that have crossed to PDI, will go back to support PPP. On the other hand, that PPP is free from this conflict provides the opportunity to the party to consolidate and strengthen its autonomy, so that it may have a positive effect in the sense of increasing the sympathy of the people towards PDI. Yet PDI does not need to worry about this, based on the experience of the General Election of 1987 in East Java that showed that the "deflation" of NU did not very much influence the number of votes acquired in that area.[52]

Fourth, the factor of *"wong cilik"* (the lower class people) is one of the decisive factors which supported the success of PDI, and apparently PDI intends to maintain it. However, while preparing the concept related to the *"wong cilik"* issue PDI should be very cautious, as once it had a very bitter experience when issuing the statement "the redness of PDI is the redness of the Pancasila" and the concept about *"wong cilik"* had been wrongly translated into a metaphorical expression for the *"proletariat"* or the *"marhaen group".* This statement caused pro and contra-attitudes in the PDI circles.[53] To prevent the possibility of such a problem to re-occur, Soerjadi confirmed that PDI wanted to fight for the fate of the lower class people, but would not be drawn into foreign concepts which are the contrary of Pancasila. PDI would not put forward concepts that smack of class struggle, such as "poor versus rich" "lower classes against upper classes", and the like.[54]

Fifth, with the enactment of Laws Ns. 3 and 8, year 1985[55] and in addition to the application of the principle of "the floating mass", PDI was still facing other problems related to recruitment, cadre forming, the problem of identity and that of funds. Before the enactment of the two laws, the function of recruitment and cadre forming apparently were more organised by former elements and mass organisations which used to be the party's supporters. Presently, PDI

[52]According to Wiratmo Prawiroyudho, the regions with an increase of PDI votes include: "... not the regions that once were the mainstays of PPP and/or the regions of the deflationary actions of NU". About the tendency of voting of former NU members, who in the past were supporters of PPP, "... their choice ... was more directed to Golkar than to PDI" and so on, see Prawiroyudho, *"Evaluasi Jawa Timur",* 689, 697 & 699.

[53]The contra-attitude among them was shown by a demonstration of hundreds of PDI members in West Java, followed by PDI in East Java, Lampung and some other regions. They urged Soerjadi to withdraw from the leadership of PDI. The reason was that his statement "the red colour of PDI is the red colour of the Pancasila" smacked of a foreign ideology and was against Pancasila. The concept *"wong cilik"* (the little man of no importance) was also considered to be in conflict with the provisions of the statutes/bylaws of PDI; see *Pelita,* 4, 11, 17, 22, 23, 29 and 31 March 1989, 15 and 28 September 1990; in his speech at the fifteenth anniversary of PDI in Surakarta, 10 January 1988, Soerjadi tried to state in his defence that this issue was only put to the fore in defence against the statement in the book *Menabur Angin, Menuai Badai;* see also *Kedaulatan Rakyat,* 28 February 1989; *Suara Pembaruan,* 30 March 1989; *Kompas,* 17 March 1989; *Suara Karya,* 29 March 1989; Marsoesi, a prominent figure of "Group 17", threatened to cause a decline in votes in the 1992 General Election; thanks to the steps undertaken by the Central Management Board of PDI, at the end of March 1989, this conflict subsided.

[54]Soerjadi, at the commemoration of the fifteenth anniversary in Surakarta, 10 January 1988.

[55]Act No. 3/1985, see footnote 10; Act no. 8/1985 stipulates among other things that all political organisations (Orpol) should be open, the membership of political organisations is individual in nature, and political organisations have no links with mass organisations.

can no longer rely on them but must resort to institutional organs within the party, which include either the DPD regional leadership, DPC (branch leadership) and the departments under the DPP (central board).

The concept of the "floating mass" is still being applied results in the fact that PDI cannot sufficiently root in society, whereas Golkar through its bureaucratic apparatus could freely execute its party functions to the most outlying places and NU could directly communicate with its supporters through its religious activities. On the other hand the psychological influence of the political practice since the New Order which has been planted in the hearts of people that "politics is bad" is the cause that generally people keep themselves far away from parties and are afraid of politics. This condition has made it difficult for the parties to carry out recruitment, cadre forming and other political functions.

The trauma of "being afraid of politics" has also a negative impact on the raising of funds, because sympathetic businessmen were not courageous enough to show their sympathy in the open. Consequently businessmen competed to assist Golkar. In addition, they were afraid to help the party, as they were worried that their business activities with the government would meet many problems. Yet the climate of "openness" of late seems to have brought many new changes. In mid-1991 Laksamana Sukardi (one of the directors of the Lippo Bank) and the well-known businessman Sugeng Sarjadi (former Golkar cadre of DKI Jaya) openly declared their sympathy for PDI.

Because of factors encompassing historical background and the heterogenous social background basis of its supporters, the efforts of PDI to assume a new identity are rather hampered. However, its successful efforts in consolidating, recruiting and forming cadres will be able to minimise the existing obstacles. The identity of PNI as was seen in the election campaign of 1987 seems to prevail again. Whereas the forming of a new identity acceptable to all elements inside PDI will still need much time and will depend on how fast of the regeneration process in the body of this party is to take place.

Sixth, another problem that is still overshadowing PDI is that internal conflicts cannot as yet be fully overcome. Although conflicts do not appear in the structure, there is some worry that the present condition may shake the sympathy and support of the people towards PDI. The involvement of elder figures in various movements and upheavals in various branches show that to a certain extent they still have some influence among the supporters of PDI.[56]

It is clear that whatever the form of the conflict may take, the still prevailing internal conflicts show that the consolidation of the party has not as yet been fully accomplished. Besides there is still the impression that within the PDI the principle of "deliberation and consensus" has not materialised, the firmness of the party and its autonomy are still questionable, whereas the mechanism to settle conflict is more based on power than on democratic methods. If such a situation is neglected it certainly may endanger PDI in facing the coming general election.

To anticipate these diverse problems, since 1987 PDI has made several attempts of consolidation, which include among others:

[56]Elder figures such Dudy Singadilaga, Tarwia Sutendi and others in West Java are people who had a large share in the Victory of PDI in West Java, so that in this region PDI obtained an additional four seats in Parliament.

to improve the mechanism of the organisation, to uphold discipline in the party, to improve the system of the organisation by extending its structure and apparatus as far as the villages, put into function again the institutions pursuant to the existing rules, to strengthen the statutes/bylaws in an effort to improve organisational discipline which should not be based on power or ambition.

In the effort to promote consolidation, the party should get accustomed to celebrating the anniversary (HUT) of PDI at different places in turns. In Jakarta and Surabaya, 1987, in Tanjung Karang, 1988, in Yogyakarta, 1989, in Banda Aceh, 1990, and finally in Denpasar in 1991. The celebration of its anniversary is to become the means of cadre forming by assigning the regional cadres to carry out national duties, which is concurrently a means to consolidate the party.[57]

Recruitment and cadre forming are intensified through regional conferences so that the candidates for the cadres will be extensively known by the people of their native region, and the emergence of "lift up" cadres could be prevented. Up to early 1990, of the 27 regional boards of PDI only 4 boards had not yet organised a regional conference, namely Irian Jaya, Central Sulawesi, Central Kalimantan and East Timor. Likewise at the branch level, 240 of the 285 branches had organised branch level working conferences. These conferences succeeded to set up PDI management boards from the subdistrict level *(camat)* to the first level region, with a personnel that for 80 per cent consisted of young people, who had been selected in a democratic way. They are the new figures "that grew up from the bottom".[58]

To put the potential of PDI in the villages into action, PDI will form Teams to put the villages in motion *(Gurakdes),* whose duty will be to support the Village Commissioner *(Komdes).* Until the end of May 1991 PDI succeeded in setting up 44,000 *Komdes.*[59] The party has also actively circulated registration forms for members as far as the villages, but does not expect too much of the results, because it appears that many supporters are still afraid to state openly that they are members of the party.

Based on the previous elections, PDI clearly focuses the aim of its struggle on the voters among the poor and needy, not only in the economic sense, but also seen from non-economic aspects. Members of the weak economic group are among others: labourers, farm labourers (who do not own land), traditional fishermen, drivers of traditional transports (bemo, pedicabs, bajay) and the like. Whereas the non-economically poor consists of the younger generation/university students who long for the highest possible education and adequate work opportunities, women who do not as yet fully enjoy proper rights and the guarantee of protection in their family like as well as in their work/business environment, the scholars or intellectuals who are often without enough academic freedom, and the groups of retired civilians and armed forces personnel.[60] To

[57]Soerjadi at the eighteenth anniversary of PDI in Denpasar, 10 January 1991, see *Suara Pembaruan,* 19 January 1991.

[58]*Suara Pembaruan,* 23 January 1990; *Suara Karya,* 16 October 1989 & 4 January 1990.

[59]*Tempo* (15 June 1991): 24.

[60]Written address of Soerjadi at a National Panel discussion about the General Election of 1992 which was held at the Airlangga University, Surabaya, 26-27 April 1991, 15-17.

get closer to the poor group, party activists carry out various activities and they include: (1) Guruh Soekarno supported by the *Swara Mahardika* Group entertained the lower class society by arranging a "street singers contest" at the celebration of the 16th anniversary of PDI (1989) in Jakarta; (2) the regional board of PDI DKI Jakarta actively followed the court sessions of street vendors and raised funds to pay their fine; (3) the Department of Health of the party provided free medical treatment to the poor in the very poor area of Jakarta by activating tens of doctors.[61] PDI has prepared various ideas which among others aim to bridge the social economic disparity, such as the proposal to apply a progressive tax system of capital tax, land tax, property and vehicle tax. Accordingly people who are affluent will be given a larger social responsibility, so that on the one hand, they will alleviate the burden of the small people, whose number is estimated to be 30 million and on the other hand, the greediness of the wealthy to accumulate wealth in an excessive way will be limited.

As for cases of expropriation of land, PDI claimed for the enactment of a legislation that guarantees a more humane approach and protection of the property rights and the right to live for the weaker party, and the provision of a better future for the party that had been expropriated.[62] Besides, PDI has also prepared concepts that among others are concerned with anti-monopoly laws, anti-trust laws, banking-laws that paid more attention to the interests of the small businessman, the problems on conglomerates and the like.[63]

On a higher level. PDI through its representatives in Parliament (DPR) and the regional representative council (DPRD), concerning the problems of the people lately acted faster than PPP and Golkar. This is visible in its efficiency to respond to the cases of the demonstration of Bajay drivers, the increase of electricity rates, and the case of the small traders at the market of *Kotamadya* (Municipality) Bogor.

One Parliamentary Commission at the initiative of the PDI Faction had a hearing with some experts of culture among others, H.B. Jassin, about the prohibition to stage *"Opera Kecoa"* and the poetry reading by Rendra. PDI will continue to fight so that intellectuals and experts of culture obtain the academic freedom and the freedom of speech and will be provided with proper places to express the results of their thoughts and creations.

As for the regional representative council (DPRD), Ismunandar of the PDI Faction of the DPRD, Jakarta, issued a statement about the importance of the administration of Jakarta (DKI) to provide complete information about various problems in Jakarta to prevent misunderstanding between the government and society.[64]

The function of the Agency for Research and Development *(Balitbang)* has been increased so as to enable it to play a role in the forming of opinions so that it can stimulate the involvement of society in the problems

[61]The above mentioned points are often presented by Soerjadi at different occasions, as at the seventeenth anniversary of PDI (Banda Aceh), eighteenth anniversary of PDI (Denpasar), before participants of the course for Senior Staff Officers of the Army in Bandung, and others. See also *Merdeka,* 4 February 1990.

[62]*Suara Karya,* 14 January 1991, *Merdeka,* 15 March 1991, and also repeated in a written address at the Panel Discussion, Surabaya, 26-28 April 1991.

[63]*Suara Karya,* 19 May 1990.

[64]*Kompas,* 9 July 1990.

faced by the country. In November 1990 PDI put an advertisement in several dailies, to invite intellectuals to join with PDI. This advertisement was able to attract the interest of hundreds of young people with an academic background. In the field of political life PDI put forward several ideas, among others:(1) the idea of the "floating mass" should immediately be terminated; (2) it is necessary that MPR/DPR should be given competence and operational role on a larger scale, by way of increasing the operational competence of the working committee to anticipate the Guidelines of State Policy (GBHN); and a separation of the functions of chairman of DPR and MPR so that the nation can better enjoy its sovereignty;[65] (3) it is necessary to promote the rights of the Parliament such as the budget right, the right of control, the right of legislation and other parliamentary rights, so that there is a balance of power between the president and parliament both being work partners; (4) it is necessary to reinstate government employees in their right of channeling their aspirations so as not to be tied forever to a certain contestant;[66] (5) the possibility for members of a political party to sit in the cabinet;[67](6) in the field of Education, that the Decree of the 1966 Provisional People's Consultative Assembly stipulating 25 per cent of the State Budget will be used for the educational budget will be realised, and the like.[68]

To increase the quality of its representatives in Parliament and in the regional representative council PDI tries to bring to the fore future legislative members by welding together professionals and those who have links with the masses. The group of professionals include among others Laksamana Sukardi, Sugeng Sarjadi and Kwik Kian Gie (who was expected to embrace Indonesian citizens of Chinese descent, but unfortunately he did not succeed as he had not registered as a voter). From the circles that had links with Bung Karno, PDI shows the names of Guruh, Megawati and her husband (Taufik Kemas), Bambang Widjanarko (former adjutant), Mangil (former personal guard of Soekarno) and several retired army personnel who admit to have been close to Soekarno, such as first lieutenant (retired) Widarbo with about 50 other retired army personnel.

With the appearance of these figures, PDI hopes to be able to use a double-ended spear to assemble the masses. The younger generation and the intellectuals will be faced by Guruh and the professionals. The older people and the groups of traditional voters will be faced by prominent figures that have emotional links with Bung Karno.

Other rather interesting steps will be the approach adopted by PDI with regard to former government officials, retired army personnel, pensioned government officials, non-government organisations (LSM), former top figures of PPP, John Naro and his son Husein Naro, and several other groups. These steps conform with the emphasis on target groups which should be aimed at by PDI, comprising: (1) the poor and needy in society, in the domain of economy and non-economy; (2) the women; (3) the younger generation; (4) the group of intellectuals, professionals and the middle class; and (5) the older generation.[69]

[65]Soerjadi, *Course for Senior Staff Officers of the Army,* in Bandung, 26 October 1990.

[66]*Kompas,* 12 January 1989.

[67]*Merdeka,* 15 January 1991.

[68]*Kompas,* ibid.

[69]*Editor* 1, V (21 September 1991): 12-13, see also Soerjadi, *"Kampanye dan Perjuangan PDI dalam Pe-*

Conclusion

After the quite significant success gained in the General Election of 1987, PDI is now undertaking a series of endeavours to increase these results. Steps that seem conspicuous are the efforts in approaching the young people and the poor in the cities, because these two groups were the most important factors in previous general election. The themes of developing the nation, improving the quality of education, siding with the little people, and fighting for their fate are matters that are very close to the enthusiasm of the young people. The black and red colours which clearly identify PDI, may also become an attraction as such that agrees with their enthusiasm.[70]

The chance of success in the coming general election seems still to be open, since the number of voters among the younger generation accounts for the largest proportion in the composition seen from their age bracket. It is estimated that about 17 million young people will use their right to vote in the coming general election. One of the charms of PDI among the younger generation is its image as "the party of the future". PDI is expected to come to the fore different from the other socio-political forces, so that it can accommodate and channel their aspirations to continue their future.

Yet to date the image of PDI has been overshadowed by a series of conflicts in the past. The old figures who have been removed do not stand idle. Aside from making the leadership of Soerjadi unstable, they also threaten to undermine by deflating the party, among others Marsoesi will launch his action in East Java;[71] H. Teuku Thaib Ali stated pronouncedly that he will persuade his followers to cross to Golkar;[72] while some cynical groups estimated that the various political steps taken by PDI only serve to cover up the "ulcers" of internal conflict in its body. The party also faces the possibility of the emergence of new conflicts, as a consequence of former conflicts as well as the result of new rifts due to the competition of the party activists, who are vying for a position. This type of internal conflicts may bring about a rather negative image in the ranks of the young people, in the sense that all political parties are the same, their only ideal being to fight for a position of power and to oppose personal interests with the assistance of the people. Such conditions will certainly lessen the chance of success in the coming general election.

The approach of PDI by featuring its image as the party of the little people/the poor, had already been able to draw a rather great sympathy, especially from the pedicab drivers, the unemployed and the small labourers. Yet afer the election these issues did not seem to materialise. The pedicab drivers were still expropriated, the number of unemployed people did not decrease and many street hawkers did not find a place where they were safe from being ousted.

milu 1992", Analisis XX, no. 5 (September-October 1991): 426-427.

[70] *Kompas,* 12 January 1991.

[71] The mentioning of the names of the wives and the family of functionaries of the Central Board of PDI in the list of legislative candidates, such as the wife of Soerjadi, the offspring of Yahya Nasution and the family of Dimmy Haryanto (Secretary of the Central Managing Board) gave rise to the issue of nepotism, which was used by Marsoesi and his comrades to bring Soerjadi to his downfall. They formed a counterboard in East Java and threatened to carry out a reduction of the votes, see *Editor* 1, V (21 September 1991): 24.

[72] *Suara Karya,* 29 May 1991.

Such things could cause disappointment among the supporters of PDI. It is possible that these people will leave PDI and cross to another political party which is considered to be more able to accommodate and channel their aspirations.

Therefore PDI still faces various problems which should be immediately overcome before dealing with the 1992 General Election. Sheer internal consolidation does not suffice. PDI should adopt an approach which puts a premium on the principle of "deliberation and consensus" with regard to prominents who are on a way different from the party course, elder figures as well as young activists who prepare themselves for regeneration. This measure will be able to prevent new conflicts from emerging. Further it should be kept in mind that bringing out the attributes and identity of PNI and exploiting the image of Bung Karno in the last election clearly did not bring about satisfactory results, but precisely contained the possibility of jealousy among other former elements or a less sympathetic response of the government.

In line with the ever-increasing political conciousness in society, PDI while preparing themes for the campaign and programmes for the party, especially those in connection with promises, should come to the fore with more mature planning, so as to enable it to meet the interests of its supporters in a more tangible manner.

Anticipating various problems that are blocking they way and on the other hand, preparing the programmes which have been planned well to make use of all the opportunities available, apparently PDI has still hope to increase its results. Especially if it is supported by the ever-increasing number of the younger generation and women, who come to the fore in the leadership of PDI at different levels. The problem is only how far will PDI be able to make use of the time left to continue its endeavours to support a successful outcome.

Democracy and Parliament: Future Agenda

Amir Santoso

CHANGE in legislative function (of the DPR, the parliament in Indonesia) in the framework of the political system can be considered as a part of the comprehensive study on political development. A lot of definitions are used to denote the meaning of political development. Pye has defined 10 meanings of political development: (1) as Political Prerequisites for Economic Development; (2) as Specific Political Life of the Industrial Society; (3) as Political Modernisation; (4) as Administration and Law Development; (5) as Mobilisation and Participation of the Masses; (6) as the Operation of a National State; (7) as Democracy Guiding; (8) as Stability and Orderly Change; (9) as Mobilisation and Authority; (10) as One Aspect of the Multidimensional Social Change Process (Pye, 1985).

This paper tries to connect legislative function with democracy development, because in line with the system framework, democracy can be considered as an independent variable that has its impact on the legislative function, including exerting influence on the nomination of its members, discipline and the legislative products. However, since the political situation is continuously changing parallel with social movements, stagnant thinking should be avoided. There are several new currents in society that will influence the future legislative profile. Therefore this paper will also try to examine the prospect of our legislative body in the future.

Notes on Democracy in Indonesia

It is rather difficult to look for notes on democracy in Indonesia, except for the 1950-1957 period when we were practising a

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parliamentary government system. Our political history until the 1945 Proclamation did not leave any note on democracy.

The Dutch or the Japanese rule did not leave any note on democracy either. There was mention of an indigenous democracy by some prominent figures that traditionally developed at village level, for example, the existence of *Hak pepe* (the right of drying in the sun) that was used by people if they did not agree with the decision of the king. But so far the argument on the effectiveness or carrying out of such indigenous democracy is not convincing enough.

The 1950-1957 period is considered the most democratic era in political life, because the life of the executive body depended on the support of the DPR (= the parliament). It is the picture of the activities of the DPR that is made the criterion for the existence of democracy. But another power that did not like such parliamentary system succeeded in putting an end to the parliamentary power in 1959, after Indonesia experienced a political instability from 1957 till 1959 (Lev, 1966; Feith, 1962).

The emergence of *Demokrasi Terpimpin* (Guided Democracy) in 1959 is considered a democratic cover for Soekarno's authoritarianism. This period ended in 1965 when PKI (= Communist Party of Indonesia) tried to take over the power. The failure of the experiences mentioned above has led Indonesia to try out a new system with the hope that it will be enable the nation to attain the ideal for democratic life.

A discussion on the development of democracy in this New Order era is certainly not free from subjectivism. Nevertheless this problem should be viewed from the aspects of perception, purpose, strategy and the resources that are owned by the New Order government.

The main objective of the New Order government seems to comprise the following: to maintain national unity and to continue economic development. These two points are given priority because the ABRI (= the Armed Forces) officers now in power have gone through the bad experience of the regional upheavals in the period of 1957-1960 that almost destroyed national integrity. They have also experienced the bad and stagnant economic condition since the beginning of the independence. In striving for those two purposes, is it also possible to involve the democratisation process.

From the aspect of perception it might not be wrong to say that the political elite of the New Order do not think much of the practice of democracy in the past, and even if possible, it is not to be repeated. The Parliamentary Democracy and the Guided Democracy period (1950-1967) has given a lesson that democracy based on enlargement of mass participation is not capable of creating political stability and increasing prosperity.

Political conflicts that happened during the period of 1950-1960s had their source in ethnicity, matters related to religion and social classes. An opinion coming from non-Javanese ethnic groups held that the Javanese were too predominant in controlling political and economic resources due to the number of Javanese who account for about half of the total number of the population of Indonesia.

The regional dissatisfaction in the 1950s emerged as the result of the increasingly stronger hold of the Central Government (that was dominated by the Javanese), the

economic policy that was considered pro-Java, and the growing influence of PKI (= the Communist Party). The military leaders in Sumatra and Sulawesi tried to overcome this disappointment through the PRRI/Permesta revolt, but failed because they were defeated by the central government.

In the field of religion, 85% of the population were registered as Muslims, while a small minority were Protestants and Catholics, who, however, occupy a stronger political position than the Muslims. However, during the period political conflicts precisely happened among the Muslims themselves, namely between the *Santris* and *Abangans* between the traditional and the renovators groups. The root of these conflicts dates back to the beginning of the 20th century, but it became transparent in the 1950s, among others through ideological debates in parliament.

Representing the Muslim reformer group was Masjumi. Some of its prominent figures were craving for the establishment of an Islamic state in Indonesia, although they themselves probably had no clear conception of what they were up to. Masjumi got the support of the intellectual group that were living in the cities. The traditional Muslim group was represented by NU *(Nahdlatul Ulama)* that got many followers from the lower status people in the villages of East and Central Java. In the middle of the 1950s the army had to face the Muslim group that launced a rebellion in some regions.

The conflict of social classes is reflected in the dichotomy of *Priyayi* and *Wong-Cilik* (lower status people). *Priyayis* are the aristocratic group that emerged as a product of the monarchical system in Java. The privilege they enjoyed was continued by the Dutch that made them administrative middlemen (H. Sutherland). They further developed their own culture that is different from the culture of *Wong-Cilik,* and had a far higher level or life prosperity.

Soekarno, who tried to overcome the conflicts mentioned above, with the support of the military leadership, decreed the reinstatement of UUD 1945 (= the 1945 Constitution) in 1959. Soékarno dissolved the DPR (= the Parliament) and the era of domination of the executive branch over the Parliament began, lasting until 1965. While other parties experienced a tight control, the PKI (= the Communist Party) got an opportunity to develop so that it became a counter balance to the armed forces. The vertex of the Armed Forces - PKI conflict ended with the assassination of seven Army Generals by PKI in 1965.

These conflicts occurred at a time when the economy was depressed. The source of the economic problems was the lack of a good and consistent economic policy as the result of rise and fall of the cabinets during the 1950-1957 period. The economic situation grew worse as the result of regional rebellions and the campaign against Dutch enterprises and capital during the 1957-1960 period.

These political and economic problems have formed the perception of the officers of the Armed Forces about what sort of democratic system they considered "proper" for Indonesia.

The Policy of the New Order

There is a strong desire of the New Order architects to maintain a strong executive that was pioneered by the Old Order. A strong

executive is required to prevent the intervention of the DPR and of other forces in government policy, because, according to them, such interventions obstructed implementation of several economic programmes of the government during the period of Parliamentary Democracy.

If the New Order government has a strong commitment to the 1945 Constitution, it must be looked upon from the strong position of the President according to the stipulations in the 1945 Constitution. According to the 1945 UUD, the President cannot be toppled by the DPR and is not responsible to that institution. The President is only responsible to the MPR (= People's Consultative Assembly), that only convenes once every five years. The membership of the MPR consists of DPR-members comprising less than half of the total number of MPR-members, and of delegates of regions and groups appointed by the government. Therefore, if just a part of the total number of DPR-members are supporters of the government, it is certain that the majority of the MPR-members are also government supporters. In the early 1970s, the government succeeded in proposing a motion to the MPR, to make a decision that prohibits efforts for changing the UUD 1945.

Together with it, political efforts were made to stabilise the position of the government. The first General Election under the New Order was held in 1971, in which 9 political parties and one *Golongan Karya* (Golkar = Functional Group) participated. Golkar got about 62% of the votes through a mixed strategy of persuasion and repression (Ward, 1974; Liddle, 1973).

In 1973 the nine parties were fused into two parties: PPP *(Partai Persatuan Pembangunan* = United Development Party) representing the religious parties and PDI *(Partai Demokrasi Indonesia* = Democratic Party of Indonesia) representing the nationalist parties and the Protestant and Catholic parties. In fusing the parties the government decided who could be appointed as party leaders. In the three consecutive General Elections (1977, 1982, 1987) Golkar always won the majority of votes through the same tactics as those used in 1971, though with different intensity.

The parties resulting from the fusions always experienced internal conflicts. This is understandable considering the aspect of difficulty fusing several currents with different perspectives representing those parties. PPP remains split in the traditional modern dichotomy in Islam; while in PDI the Protestant and Catholic groups certainly have difficulty working with the nationalist group. Besides there is a rivalry between the old and the young groups. These internal conflicts, that possibly are the result of a proper strategy, facilitate the control of the government over the socio-political organisations.

The political control by the Armed Forces is also carried out through appointments of ABRI-personnel in several civil positions from the unilateral down to echelon four and from the government down to the village-head. The structure of the military command is also made similar to the structure of the regional government, so that territorial control can be easily carried out. These local military commanders are also authorised to handle civil cases. For example, they are also empowered to handle labour-conflicts, on the consideration that these are able to disturb stability. The authority to meddle in these non-military questions is legitimatised through the con-

cept of *dwifungsi ABRI* (= the Armed Forces dual function).

The New Order Economy

Political control can be performed through the economic development strategy. The first step taken by the New Order in this case was making the term "developmental" identical with support and political loyalty. Anti-New Order is identical with anti-development; New Order is identical with pro-development. The slogan for the general election is "support the New Order for the sake of development". Those afraid will interpret this slogan as a statement that non-Golkar socio-political organisations are not New Order forces and have no commitment to development.

In the beginning, economic development was aimed at increasing the income of a government burdened with debts as inheritance from the Old Order and facing soaring inflation. But later economic progress, with the cooperation of experts in economics, mostly Berkeley alumni, was used to create a basis of support, both personal (patrimonial) and mass support. This economic development in the 1970s was much aided by oil bonanza and foreign aid.

But in 1974 dissatisfaction protest emerged against the role of foreign aid, particularly that of Japan. The demonstrations, called *Malari* strengthened the authoritarian attitude through arrests and resulted in closing down of some newspapers. Nevertheless economic progress continued and was further used to buy loyalty.

The stable political and economic position of the government enables it to apply a corporatist strategy. Several socio-economic organisations have been established with their own leadership approved by the government. In this way the interest of several groups can be arranged in order that no opposition will emerge (MacIntyre, 1988). Some of the leaders of these organisations have also been appointed as DPR members.

After 25 years in power it seems that the New Order has succeeded in reducing the potential opposition. There was the *Petisi 50* (= the Petition of 50), but the political influence of this group of ex-government functionaries appears limited, although some circles silently agree with their political attitude. Ideological conflict in military circles themselves also seem to have already decreased. Although some ex-military officers have stated their support to PDI and PPP, they are not influential officers, and they are not numerous. At the same time the dual function concept could be accepted by military circles, although there are also some non-Army officers who consider the application of the dual function only to the advantage of the Army.

Concerning ideology, the government has succeeded in making Pancasila the only principle for socio-political organisations. Besides, *Penataran P-4* (= the upgrading Course of Pancasila) has continued without any significant criticism. The position of the New Order has thus enabled it to consolidate its power. The political control of the New Order is also reflected in its effort to reform the DPR.

The New Order DPR

Control over the DPR by the Executive is maintained by reorganizing the members

and the rules of procedure of the DPR. These are members appointed by the government, namely from the Armed Forces and from (non-Armed Forces) Golkar. This is in order to maintain the political interest of the Armed Forces. The 1971 General Eletion resulted in 234 seats for Golkar and 126 seats for political parties (9 political parties). Because there were 100 people appointed by the government as DPR-members (75 from the Armed Forces and 25 from non-Armed Forces Golkar), the number of government supporters became 334 people. This number is a majority.

After the fusion of the parties, the membership of the DPR became 261 people from the FKP (the *Karya Pembangunan faction)* including those appointed; 30 people from the *Partai Demokrasi Indonesia faction* (FPDI); 94 people from the *Persatuan Pembangunan faction* (FPP) and 75 people from the Armed Forces (Suyanto, 1991: 180-181). Until the 1987 General Election the total number of DPR-members remained the same as the number of DPR members as the result of the 1971 General Election, and only changed with regard to the number of seats of the respective political parties.

Viewed from the aspect of the exercise of rights, the DPR of the New Order seems to prefer using the right to express opinion. Other rights such as bringing questions to the fore, right of interpellation and right of enquete are very seldom used. Aside from the fact that the majority of the DPR members are government supporters, it is also possible that those rights have not been used because of the rules of procedure that has restrained their use.

Voting as a method of reaching decisions is as much as possible avoided. The reason is that voting is not an Indonesian political culture which puts a premium on the principle of family spirit through deliberation and consensus. Voting may cause grudge so that the attained result is not based on reaching a consensus through deliberation. But voting is still possible, only the procedure is made difficult, in that two third of the number of DPR members must be present and the outcome must be agreed upon by half of the total number of members that fulfil the quorum and must be supported by at least two factions (Suyanto, 1991: 181).

The procedure of using rights that is also difficult to practise is that regarding interpellation, expression of opinion and initiative. Those rights can be practised if they are supported by at least twenty-five members and are not allowed if only supported by one faction. The right to propose a motion does not exist at all, whereas during the Parliamentary Democracy this right was a main indicator of the functioning of the democratic mechanism.

Besides, as the result of the limitations through the rules of procedure, the inability of the members to use their rights is also caused by their lack of courage. This fear is understandable because many of them are retired military or civil officials, wives of government functionaries, and government officials, whose DPR membership and their livelihood depend on the government. As a matter of fact the right of *enquete* (inquiry) was once tried in 1980. Rahmat Mulyomiseno (FPP), Santoso Donosepoetro and Usep Ranawijaya (FPDI) held an *enquete* proposal, because they were not satisfied with the reply of the government to the Pertamina question. But this proposal failed because it could not get sufficient support, while FKP was of the opinion that the en-

quete proposal can be considered as a manifestation of having no trust in Soeharto's leadership (Tempo, August 3, 1991: 26).

There are other factors that limit the elbow room of DPR-members besides the rules of procedure. In 1985 the government promulgated Act No. 3/1985 giving the President authority to suspend the Central Executive board of political organisations and Golkar. This Law makes DPR-members afraid to speak, because DPR members' activities in the DPR are coordinated by the faction, and the faction is supervised by the leadership of the party. Besides, there is a right of recall of party leadership to withdraw members if the leadership of the socio-political organisation concerned considers the step taken by its member endangers the party. The government can also exert pressure to a Political Organisation to recall its DPR-member who is not liked.

Socio-Economic-Political Development and Future of the DPR

Will the DPR in the future, at least in the five following years, be capable of increasing its function and role as society hopes? The answer to this development is related to several factors, which in terms of their future tendencies need to be examined. But there are three important factors that directly as well as indirectly can be connected with the increase of the function of the DPR, namely: population growth, increase of education, and the economic policy of the government. Two other factors that arise as a consequence of the former factors, are the change in membership of the Golkar and political parties and the change of political attitude of the military group.

Population and Urbanisation

Population growth and urbanisation bring with them an increase of political demand for prosperity and education. The population of Indonesia in the next 15 years is expected to grow by approximately 43 millions. Half of the number is due to increase in Java (Ananta & Arifin, 1991: 8). The population pressure will cause an incent in 2020. This urbanisation apparently is nine per cent in 1990 to about fifty-two per cent in 2020. This urbanisation apparently not only caused by migration, but is also due to the changed status of villages into cities. In the year 2000 the population of the villages will have become 133.6 millions. Afterwards the population of the villages will decrease, whereas the population of the cities in the year 2020 will become approximately 2.5 times the number of those in 1990. It means that in the future there will emerge many big cities (Ananta & Arifin, 1991: 14).

In fact the status change of the villages has happened phasewise since the 1970s. In 1961 there were only 221 cities each with a population between 10,000 to 500,000. In 1980 the number of cities swelled to 357 (Soegijoko & Soegijoko, 1984). The status change of the villages was among others due to the population growth, the many successful village development programmes, the promoted formal status of strategic villages, and the increase of population concentration centres (Husin, 1991: 10).

The political demands that emerge as the result of the population growth of the cities are much more varied than those of the villages, because the traditional bonds that often obstruct direct and open expression of aspiration will be replaced by businesslike

impersonal ties. This development will influence the performance of the DPR members, who will become more and more open, critical and independent.

Increase of Education

The programme of spreading SD Inpres (Elementary Schools based on Presidential Instruction) has added to the number of elementary school age children that have succeeded in getting education. This has also augmented the number of those entering high schools and universities. High schools that have been built and also the increase of private participation in the field of education have expanded the number of junior high school, senior high school and university graduates.

Elementary School graduates have increased from 928.6 thousands in 1968 to 3.8172 millions in the first year of Repelita V (Vth Five Years Development Plan-1968/1990). Graduates of Junior High Schools have increased from 306.9 thousands to 2.5 millions and the number of Senior High School graduates have augmented from 100.3 thousand to 1.2461 million during the same period, while University graduates have grown from 6.3 thousand in 1973/1974 to 183.2 thousand in 1989/1990 *(Pidato Presiden;* August 16, 1990: 690-704).

Demographic data on the number of students also show a picture of the brighter future of education. The number of elementary school age children has begun to dwindle since 1990; the number of children of junior high school age will begin to decrease as of 1995; those of senior high school age will shrink as of the year 2000; and university students will be reduced as of 2015. This demographic estimate gives an opportunity for upgrading the quality of education without requiring a rise in the number of means of education (Ananta & Arifin, 1991: 15).

Many studies have shown the positive correlation between the expansion of the number of educated people and the existence of a political democratisation process, because democracy is closely related to realisation of political rights that arises as the product of education (Lerner). Enhancement of education level means an increase of the educated middle class who will involve themselves in political acitivities, among others through the DPR. In this regard, the DPR will be really function as a democratic institution through the replacement of membership by those who are more conscious of their rights and political role.

Economic Policy

Owing to the expansion of the middle class and stimulated by the economic liberalisation, trade and banking deregulation many young business and banking executives have come to the fore. Indeed, a part of them may still belong to the *Erzats Capitalist* category that has grown due to the support and facilities of the government (Kunto, 1991: Robison, 1986). But another part consists of executives who have graduated from universities abroad. If those erzats-capitalists may still have to keep good relations with the government, the executives who have graduated from universities will be of a more independent character.

As a matter of fact the symptom that this educated middle class is increasingly playing a role is alrcady apparent in thc process of nominating DPR-members in anticipation of

the 1992 General Election. Golkar, according to *Tempo,* will replace about 50% of the DPR-members that are now representing Golkar. Among the candidates are many successful young entrepreneurs. Golkar has also nominated some well-known young journalists and intellectuals. The PPP has also nominated candidates consisting of some prominent intellectuals. PDI, too, offers candidates from several business and intellectual circles (*Tempo,* August 3, 1991).

From the description of several candidates above, it is expected that the change of attitude of the DPR will happen through PPP and PDI, because it seems that the candidates of these two parties are politically more independent. They are people that are courageous enough not to support Golkar, and in the present situation this attitude must be given particular credit. For the next five years at least Golkar will remain conservative in attitude, given the current roster of candidates.

Indeed, the change of pattern of DPR-Government relations should not only be viewed from the aspect of a possible internal change of the DPR, but also from that of possible environmental change. The increase in number of those with higher education will put political pressure on the DPR to enable it to meet society's demands. Even now one has already begun to witness the arrival of several groups of society who are looking for the solution of their problems at the DPR. Although at present one still witnesses the inability of the DPR to handle these demands, it is estimated that the continuing rise of demands in the future will force the DPR to adapt its role, because in the future the intensity of demands and the quality of those who come to the DPR to voice these demands will be higher than those who come to the DPR at present.

The increasing intensity of the demands will also influence the attitude of those who hold power. But it is still questionable whether the claims will get a positive and open answer or just cause the emergence of a more authoritarian attitude. The answer to this question depends on many factors, such as the homogeneity or heterogeneity of the ruling elite, and their perspective with regard to power and democracy.

Given the attitude of the government at present, in particular its response to the issue of openness policy, one may hope for the emergence of a positive and constructive attitude towards political demands. The emergence of a more open and democratic government is needed. But while hoping for it, there arises also a thought that the question of openness is more a part of "rubber band" political strategy, meaning that criticism is only allowed as far as it is not considered disadvantageous for the position of the power of the government, but will be prohibited if it is considered dangerous. If the latter thought is right, it means that one cannot hope too much for the prospect of democracy in the future.

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Indonesia's Rice Trade Policy: Who Gets the Benefit?

Tubagus Feridhanusetyawan[1]

AGRICULTURAL trade has been one of the troubling trade issues in the world in the 1980s. When *The Uruguay Round* was launched in September 1986, agriculture had been in top priority for a policy reform. However, there has been little progress until now. The problem seems not to be the nature of agriculture such as climate, technology, production instability and other non-durable characteristics of agricultural commodities. The root of the difficulties lies in the policy of individual country. The domestic agricultural policy of each individual country in which the government is actively involved, is the source of international trade problem in agriculture.

Government policy intervention in the agricultural sector is a worldwide phenomenon. The question is who gains and who loses from such a policy. It is generally believed that in the early process of development, the governments in poor countries tax the agricultural sector relative to other more tradeable sectors. One logical reason is the economic theory of politics of which the basic axiom is that political leaders devise policies to maximise their chances of holding power.[2] The more power an interest group expects to gain from a certain policy the greater demands for government to provide it. In the country where food consumption is relatively high, consumers exert strong pressure to have low price of food. Along with the process of development, per capita income increases. When the share of food expenditure in per capita consumption goes down as income increases, the pressure to provide low prices of food diminishes. At the same time, the share of agricultural sector in GDP decreases and there is a policy switch from taxing agriculture to supporting it.

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[2]See K. Anderson and Y. Hayami, eds. *The Political Economy of Agricultural Protection* (Sydney: Allen and Unwin, 1986).

Table 1

SOME INDICATORS OF AGRICULTURE IN INDONESIA

Shares in Gross Domestic Product in 1988 (Per Cent)		
Agriculture	21.07	(100.0)
- Food Crops	12.84	(60.9)
- Non-Food Crops	2.84	(13.5)
- Estates Crops	0.58	(2.8)
- Livestock & Livestock Prod.	2.22	(10.5)
- Forestry	1.02	(4.8)
- Fisheries	1.58	(7.5)
Mining & Quarrying	15.98	
Manufacturing	18.40	
Electricity, Gas & Water	0.55	
Construction	5.13	
Trade, Hotel & Restaurant	15.71	
Transportation & Communication	5.24	
Banking & Other Financial Intermediaries	3.61	
Ownership of Dwelling	2.77	
Public Administration & Defence	7.96	
Services	3.58	
Annual Growth Rate of Agriculture (Per Cent)		
- Average (1970-1983) based on constant price 1973	3.9	
- Average (1984-1989) based on constant price 1983	3.7	
Annual Growth Rate of Total GDP (Per Cent)		
- Average (1970-1983) based on constant price 1973	7.2	
- Average (1984-1989) based on constant price 1983	5.6	
Employment in Agriculture in 1988 (Per Cent)	55.6	

Source: Central Bureau of Statistics, "Statistical Yearbook of Indonesia, 1989".

This article is about agricultural policy in Indonesia. The agricultural sector remains important to Indonesia's economy even though the contribution to the country's economy has become more diversified. It provides food, employment and non-oil export earning for the country. Table 1 shows some indicators of agriculture in Indonesia. In 1988, the sector was still the largest contributor to the Gross Domestic Product (GDP) and accounted for more than 21 per cent of total GDP at constant 1983 prices. Among other sub-sectors, food crops shared more than 60 per cent of agriculture. Table 1 also illustrates that between 1970 and 1989, the growth of agriculture was relatively stable, averaging about 3.8 per cent a year. Even though non-agriculture has played an important role in overall economic growth, agriculture has often been called the 'saviour' of the economy, because this sector exhibited an improved growth performance when the overall growth weakened during the world recession between 1981-1983.[3] The importance of agriculture was also reflected in the fact that more than 55 per cent of the job seekers still depended on the sector for employment in 1988.

To be more specific, this article will mainly discuss rice trade policy since rice is not an ordinary food commodity in Indonesia. Any shortage of rice will easily become socio-political and security issues because rice is a staple food of vast majority of Indonesians. In 1987, more than 17 per cent of total consumption expenditure was spent on cereal which is mainly rice. At the same time, food expenditure shared about 61 per cent of total consumption expenditure.[4] This figure shows that rice and food are still very important components of per capita consumption. Therefore, it is understandable that the provision of low-stable price rice is the primary objective of overall agricultural policy. In fact, Indonesia has successfully provided its people with stable and low prices of rice. Supported by massive producer subsidy, the restrictive trade policy, best expressed as market insulation, successfully led to rice self-sufficiency in 1985. Even this success has been a model for other countries. So, what is the problem with the policy? First, there seems to be a concern that in fact farmers do not get the net benefit from a restrictive trade policy. Second, with respect to the importance of self-sufficiency, the question is whether there is a better way to increase the efficiency or to reduce the net welfare loss due a to restrictive and high cost trade policy.

The first part of this article will illustrate the general non-trade rice policy in Indonesia namely price policy and producers' subsidy. This domestic producer subsidy cannot be separated from trade issues because the domestic policy of a big importing country like Indonesia would lead to world market distortion. The second part will discuss specifically the trade policy. The movement of exchange rate and the position of domestic supply and demand in international market will be scrutinised in this section. The third part will examine several concerns about the benefit of the policy for farmers. The fourth part will explore several policy alternatives to reduce welfare loss as well as to raise farmers' income. Some mathematical model will be presented to illustrate the policy op-

[3]See Tubagus Feridhanusetyawan, "Performance of Indonesia's Agriculture: Food Self-sufficiency and Beyond", *Indonesian Quarterly* XVI, no. 4 (Jakarta: CSIS, 1988): 405-425.

[4]See Central Bureau of Statistics, *Statistical Yearbook of Indonesia 1989.*

tion to minimise government's cost. In conclusion, the high-cost policy in Indonesia's agriculture is still in favour of consumers. In terms of the farmer's welfare, a political will is needed to include not only the production target but also the farmers' welfare in the priority list of policy agenda. In terms of efficiency of the policy, a more flexible trade policy is needed namely that the producers' subsidy does not have to be followed by market insulation.

Background: General Rice Policy

Price Policy

Price policy interventions have been the main feature of the rice policy in Indonesia. The primary objective is to provide relatively stable-affordable prices for food for the consumer and satisfactory return to producer. Since the 1970s the price policy has been very successful in maintaining relatively stable-low domestic price of rice and insulating domestic market from sharply unstable world price. Table 3 shows that the domestic real price of rice, defined as the ratio of current price over consumers' price index, was relatively constant between Rp 200/kg in 1974 and Rp 226/kg in 1988. The deflated producers' floor price also showed constant trend from Rp 170/kg in 1974 to Rp 173/kg in 1988. The main instruments in implementing price policy have been a floor price, ceiling price, and government-monopolised rice trade. There is only one national food logistic agency, BULOG, which has been given the exclusive authority to purchase and sell rice as much as necessary to hold the price at the previously announced level. The importance of this agency is shown by the fact that it reports all its operations directly to the president. Village Cooperative *(Koperasi Unit Desa* or KUD), serves as a major player in this price stabilisation policy. It purchases rice directly from farmers, provides low interest credit and distributes fertiliser, pesticides, and seeds at the village level. To facilitate the coordination between BULOG and the cooperatives, the chairman of BULOG serves as the Minister of cooperatives. In the early 1970s, extraordinary attention was put on the ceiling prices of rice in urban areas. During the period, urban price stability was high priority to maintain political stability in the early stage of economic development. In the early 1980s, however, the ceiling price was no longer announced to reduce the cost of the price stabilisation operation. As a matter of fact, BULOG sometimes has to face budgetary difficulties to maintain its high cost operations. For example, there was more than 100 billion rupiahs deficit in the BULOG operation mainly due to surplus problem in the mid-1980s.

So far, there have been two stated objectives of Indonesia's price policy namely the concern for urban consumer welfare and domestic price stability. As countries move along their path of economic development, the objectives of the price policy tends to become broader. In some Asian countries, for example, there has been a shift in objective long with the process of development namely from producing inexpensive food to keep low wages in urban areas, to providing price incentives well above the world market to increase food production and improve rural income. Japanese and Korean experiences reveal that there has been a policy shift from taxing to protecting their farmer. However, a similar trend does not seem to be taking place in Indonesia.

Producer Subsidy

In addition to price policy, there has been a great amount of farmer input subsidy especially since the late 1970s. Given the constant price of rice, this input subsidy is used to shift up the rice supply to meet rapidly growing demand due to economic growth. Therefore, agricultural input prices have also been the subject of extensive interventions. It is indicated that seeds, water, pesticides and fertiliser have been heavily subsidised. Perhaps only land rent, labour wages and animal power were not affected by the government intervention.

Among all the subsidies, the fertiliser subsidy has been the largest. In average, it has accounted for about 2.5 per cent of the total government expenditure since 1980. The average fertiliser subsidy between 1980-1987, was about 450 billion rupiahs annually. Farmers pay less than 50 per cent of total economic cost of fertiliser production. Since the rice variety used is responsive to fertiliser, this subsidy has a significant effect on production. In fact, this subsidy has been the key instrument to achieve rice self-sufficiency. There is still a question of whether this subsidy has significantly increased farmers welfare. Some study indicated that, *ceteris paribus,* there is only an eight per cent increase in farmers income from this huge subsidy.[5] Therefore, it appears that the fertiliser subsidy tends to become the instrument to increasing production rather than raising farmers' incomes. As a matter of fact, the cost of the subsidy has put some pressure on the budget. For example, the decline in oil price in the mid-1980s led to a budgetary constraint to the government in maintaining the low price of fertiliser for farmers.

Because of the pesticides subsidy, farmers paid only about 60 per cent of the retail price of pesticides. The subsidy of pesticides to farmers is estimated to be about 42 billion rupiahs in 1986/1987. The low price of pesticides has led to their overused and widespread application. Ironically, the overuse of pesticides has wiped out not only the pest but also its predators. It is believed that the overused pesticides could lead to the resistance of the pest. Irrigation has also been heavily subsidised. Less than 13 per cent of total operational and maintenance cost of irrigation is paid by farmers.

The overall impact of those input subsidies has been impressive. Despite the constant domestic real price of rice, the rice production has increased sharply. Table 2 shows that the yield went up from 1.74 tons/ha in 1971 to 2.85 tons/ha in 1988 (in terms of milled rice). Multiplied by the harvested areas, rice production remarkably increased from 14 million tons in 1971 to more than 28 million tons in 1988. Per capita rice consumption, measured in rice availability, also went up from 113 kg/cap/year in 1987. These success stories finally led to the achievement of rice self-sufficiency in 1984/1985.

Rice Trade Policy

Despite the fact that Indonesia's food trade policy is basically designed for specific commodity, the policy in 1970s was generally an import policy. National Logistics Agency (BULOG) has been given a sole authority to import and to distribute staple food commodities, namely rice, corn, soybean, sugar, and wheat. Indonesia has

[5]See Tubagus Feridhanusetyawan, "Performance of Indonesia's Agriculture".

Table 2

DOMESTIC PRODUCTION, IMPORT AND AVAILABILITY OF RICE 1971-1988

Year	Harvested Areas (Mil. Ha.) (1)	Yield (M. Ton/Ha) (2)	Production (000 Ton) (3)	Seed and Waste (000 Ton) (4)	Export (000 Ton) (5)	Import (000 Ton) (6)	Change in Inventory (000 Ton) (7)	Rice Availability (000 Ton) (8) (3-4-5+6+7)	Population (Million) (9)	Per Capita Consumption (Kg/Cap/Year) (10) (8/9)
1971	8.23	1.74	14,357	1,436		503	0	13,424	119	113
1972	7.90	1.75	13,791	1,379		748	363	13,523	122	111
1973	8.40	1.74	14,607	1,461		1,639	-411	14,374	125	115
1974	8.51	1.80	15,276	1,528		1,058	-267	14,539	128	114
1975	8.50	1.80	15,276	1,518		669	116	14,543	131	111
1976	8.33	1.90	15,845	1,584		1,293	190	15,744	134	117
1977	8.36	1.95	16,284	1,628		1,989	79	16,724	137	122
1978	8.93	1.96	17,525	1,752		1,833	-613	16,993	140	121
1979	8.80	2.03	17,872	1,787		1,914	291	18,290	143	128
1980	9.00	2.24	20,163	2,016		2,004	-884	19,267	147	131
1981	9.38	2.38	22,286	2,229		525	-550	20,032	150	134
1982	9.80	2.33	22,837	2,284		300	551	21,404	153	140
1983	9.16	2.62	24,006	2,401		1,160	78	22,843	157	145
1984	9.77	2.65	25,933	2,593	11	275	-1.166	22,438	160	140
1985	9.90	2.68	26,542	2,654	405		29	23,512	164	143
1986	9.99	2.70	27,014	2,701	205		596	24,704	168	147
1987	9.92	2.75	27,253	2,725	109	133	1,175	25,727	172	150
1988	9.88	2.85	28,192	2,819			323	25,696	176	146

Source: National Logistics Agency (BULOG), "Statistik BULOG 1969-1987".

Table 3

DOMESTIC AND WORLD PRICE OF RICE 1974-1988

Year	Producer Floor Price (Rp/Kg) (1)	Consumer Domestic Price (Rp/Kg) (2)	Exchange Rate (Rp/US$) (3)	World Price (FOB Bangkok 25%) (US$/Ton) (4)	World Price (FOB Bangkok 25%) (Rp/Kg) (5)	Consumer Price Index (1980 = 100) (6)	Deflated Producers Floor Price (Rp/Kg) (7) (1/6)	Deflated Domestic Price (Rp/Kg) (8) (2/6)	Nominal Rate of Protection (%) (9) ((2-5)/5)
1974	68.5	83.40	423	459	194	40.4	169.55	206.44	-57.05
1975	97.0	111.00	421	313	132	48.1	201.66	230.77	-15.76
1976	108.0	128.48	421	229	96	57.63	187.40	222.94	33.27
1977	110.0	132.62	421	237	100	64.02	171.82	207.15	32.92
1978	119.5	140.46	634	335	212	69.22	172.64	202.92	-33.87
1979	149.0	170.31	632	308	195	84.37	176.60	201.86	-12.51
1980	175.0	198.39	634	395	250	100	175.00	198.39	-20.78
1981	195.0	226.19	643	417	268	112.2	173.80	201.60	-15.64
1982	214.0	254.92	692	251	174	122.9	174.13	207.42	46.77
1983	238.0	304.24	994	247	246	137.4	173.22	221.43	23.92
1984	270.0	330.97	1.076	235	253	151.7	177.98	218.17	30.89
1985	285.0	322.07	1,131	198	224	158.9	179.36	202.69	43.82
1986	285.0	345.24	1,655	174	288	168.2	169.44	205.26	19.89
1987	313.0	386.86	1,652	203	335	183.8	170.29	210.48	15.36
1988	344.0	448.36	1,729	280	484	198.7	173.13	225.65	-7.39

Source: National Logistics Agency (BULOG), "Statistik BULOG 1969-1987".

tended to be an importer and exporter of corn and soybean due to domestic surplus in some years and deficit in others. The export of corn and the trade of other commodities, such as mungbeans and peanuts have been handled through restricted licensing. Cassava has been the least subject to trade intervention because it is mainly an export commodity. Because of its importance, rice has always been the first priority of the trade policy.

The illustration of rice export, import and availability can be seen in Table 2. There was an increase of rice import from about half million tons in 1971 to slightly more than 2 million tons in 1980. Having achieved its peak in 1980, it gradually decreased until it reached zero point in 1985. During that year, the government proudly announced Indonesia's rice self-sufficiency. However, importation of processed rice products including flakes, meal flour and glutinous rice continued. Generally based on government to government agreements and swap agreements, Indonesia exported about 400 thousand tons of its domestic production in 1985. The export decreased about a half in the following year and continually decreased until it was halted in 1988. The rice was mainly traded in order to reduce the cost of domestic inventory. There was a great loss from this export since at the time the world price is lower than domestic cost of production. Table 3 shows that in 1985, for example, the world price was Rp224/kg while the floor price for producer was Rp285/kg and the domestic price was Rp331/kg.

During the oil boom and the massive transfer in the forms of foreign borrowing and assistance in the early 1970s, the demand for rice increased sharply due to the income effect. The production technology, however, still relied on traditional methods and was not responsive to price. Abundant foreign revenue and the necessity of keeping domestic prices relatively low and stable due to political interest made importation the apparent solution. At the same period, the low world price was also beneficial. However, there was still a problem in 1973 and 1974 when the world shortage of rice made it clear that rice importation was not the best solution to meet domestic demand. Regardless abundant foreign exchange from oil revenue, Indonesia was unable to purchase enough rice from the world market. This experience was a valuable lesson for Indonesian agricultural policy makers. There are at least two ways to deal with this problem. First, food security could be achieved by rice self-sufficiency and second, the dependency on rice could be reduced which means diversification of food consumption. More exphasis has been put on the achievement of rice self-sufficiency rather than food diversification.

The strong tendency to get food security by pursuing food self-sufficiency began in the late 1970s. Combination of internal and external factors contributed to this policy reform. From the internal point of view, the continuing rapid economic growth and the sharp increase in per capita income accelerated the demand and put a great pressure on price increase. Supply was unable to meet this growing demand since the production technology was still based on traditional non-price responsive technology. Domestic prices began to increase and in order to avoid the pressure on inflation rate, import continued to grow. From an external point of view, the world market tended to become unstable. Table 3 shows that the world price increased from Rp96/kg in 1976 to Rp268/kg in 1981 and jumped to Rp178/kg in 1982.

The expensive rice policy has led to a growing awareness that self-sufficiency is very important whatever the cost. Since then, the world market has been considered as a residual market. In other words, international trade has not been considered as a main supply of continually growing excess demand. A great share of oil revenue was put into an agricultural investment to speed up the technological transformation in the agricultural sector. Those investments were put on the development of modern rice technology which relied heavily on fertiliser responsive varieties. To support this policy reform, a huge input subsidy was used to increase domestic rice supply.

Exchange Rate

Exchange rate dynamics have had a great impact on overall agricultural trade policy. In spite of floating exchange rate regime in Indonesia, there is still great government intervention in exchange rate determination. Over-valuation of the rupiah to the US dollar exchange rate and sharp correction have been the characteristics of monetary intervention in Indonesia's economy for the last two decades. Rupiah to US dollar exchange rate in the early 1970s was relatively stable even though the rate was overvalued. As a consequence, there was correction by 50 per cent devaluation in 1978. Table 3 shows that between 1974 and 1977, the rate was stable at about Rp 420/US$ and the devaluation in 1978 lowered the value of rupiah and the exchange rate became Rp 634/US$. However, the rupiah continued to depreciate until the next devaluation in 1983. The rupiah was devaluated by 35 per cent in 1983 and again by 45 per cent in 1986. The depreciation however as can be seen from Table 3. The exchange rate stems from Rp 1655/US$ in 1986 to Rp 1729/US$ in 1988.

One logical reason for the exchange rate over-valuation is to support food import policy in the 1970s. It made foreign food inexpensive relative to domestic food. This exchange rate protection has raised the relative price of good in import-substituting industries and lower the relative price of good in export oriented industries. Implicitly, it acts like export taxes and import subsidies. From the importer's point of view, the overvaluation of the exchange rate implicitly causes an outward shift in the foreign supply function, resulting in an increase of import and fall in domestic prices. Therefore, this policy favours the domestic consumer.[6]

Like other exporting countries, Indonesia's oil revenue has influenced all aspects of the economy, including agricultural policies. Oil revenue raised the standard of living, widened job opportunities and increased policy options for the government. It also affected the structure of the economy. The increase in oil prices led to more rapid income growth, larger investment and an appreciation of the real exchange rate. Commonly, oil exporting countries experienced a slower rate of growth of the agricultural sector. Higher incomes led to an increase in the price of non-tradable goods at the expense of tradeable goods like food crops. The increase in the ability to import food of which then sold at subsidised price reduced the profitability of food sector. There is an interesting comparison between oil revenue management in Indonesia and Nigeria, another exporting country which had a same

[6]See James P. Houck, *Element of Agricultural Trade Policies* (Macmillan Publishing Co., 1986).

level of development in early 1970s.[7] In Nigeria, the oil boom led to disruption of the agricultural economy. In contrast, Indonesia's agriculture kept growing and was even able to support the overall economic growth during the recession years in the early 1980s. Indonesia's success was due to two things: First, Indonesia kept the real exchange rate steady with sharp correction of the overvalued exchange rate by devaluation of the rupiah in 1978. Second, Indonesia distributed spending more equally among physical infrastructure, education, capital intensive industries and agricultural development especially rice.

The concerns of the health of rural economy, the growth of agricultural sector and the price instability in world rice market led to a major reappraisals of food policy in the late 1970s. There were three strategic redirections: food diversification away from rice, new incentives for rice producers through fertiliser subsidies, higher floor prices, and also a 50 per cent devaluation of the rupiah in 1978. To put in another way, there was a shift from subsidising consumers by import subsidies to subsidising producers by input subsidies. For example, fertiliser subsidies increased from about Rp 36 billion in 1977 to more than Rp 550 billion in 1985. Producers' floor prices were also increased significantly. Table 3 shows that producer floor prices increased sharply from Rp 110/kg in 1978 to Rp 195/kg in 1981. This major policy reform can be considered to be the key element of Indonesia's economic development. The experience is noteworthy when compared to other major oil exporters like Nigeria.

[7]See The World Bank, *World Development Report 1986.*

The movement of rupiah-US dollar exchange rate is partly explained by the fact that despite the sharp increase in the producer floor price, Indonesia's rice sector still received a modest degree of protection in the late 1970s and early 1980s. Table 3 shows that the producers' floor price more than doubled from Rp 149/kg in 1979 to Rp 344/kg in 1988. Along with this price increase, domestic prices went up and nominal rates of protection, defined as the ratio of the difference between domestic and world price over the world price in per cent, cyclically moved from 12.51 per cent in 1979 to 15.36 per cent in 1987. This cyclical movement was mainly due to a very unstable world market price during this period. However, the average nominal rate of protection in the 1980-1987 period was no more than 20 per cent. It is relatively low compared to Japan and Korea, which provided more than 300 per cent nominal rate of protection to their rice sectors in 1986.[8] The decrease of the value of rupiah in terms of US$ from Rp 632/$ in 1979 to Rp 1655/$ in 1986 made foreign food relatively more expensive and led to a modest protection in the rice sector.

Relation Between Domestic and International Markets

Market insulation is perhaps the most appropriate characteristic of Indonesia's rice trade policy in order to achieve and maintain rice self-sufficiency. Abundant amount of producer input subsidy is provided to shift

[8]See for example David Vincent, "Domestic Effect of Agricultural Protection in Asian Countries with Special Reference to Korea", in *Macroeconomic Consequences of Farm Support Policies* (Duke University Press, 1989).

Figure 1.a.

DOMESTIC RICE MARKET

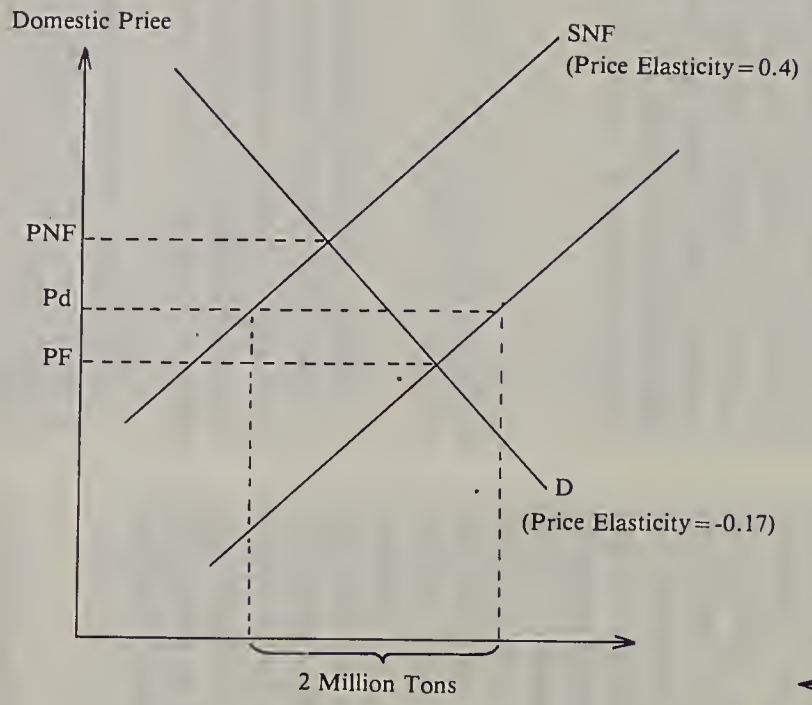
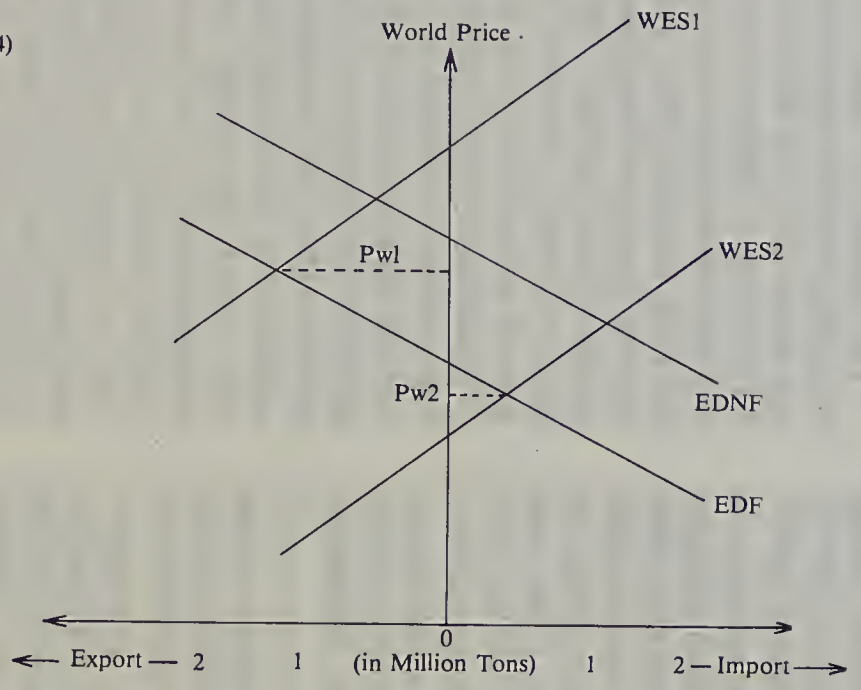


Figure 1.b.

INTERNATIONAL MARKET



Some Notations for Figure 1.a. and 1.b.

SF	=	Domestic Supply with Fertiliser Subsidy
SNF	=	Domestic Supply without Fertiliser Subsidy
D	=	Domestic Demand
EDF	=	Indonesia's Excess Demand-Supply (with Fertiliser Subsidy)
EDNF	=	Indonesia's Excess Demand-Supply (without Fertiliser Subsidy)
WES1	=	World Excess Demand-Supply which determines Indonesia's Import or Export Prices when there is a shortage
WES2	=	World Excess Demand-Supply which determines Indonesia's Import or Export Prices when there is a surplus

outward the domestic supply to meet the domestic demand. World market is considered only as a residual market. In other words, import is conducted only when domestic supply and the inventory is really not enough to fulfill domestic demand. Figure 1.a. and 2.a. illustrate the relation between domestic and world market under several simplifications. The first is that the framework used is partial rather than general equilibrium. Partial equilibrium investigates one market holding other markets constant *(ceteris paribus).* sometime it is a powerful conceptual device to describe abstract economic relationship. However, there is a limitation since it does not describe how the entire economy relates to each other as whole. The second simplification is the linear supply and demand function, which means that the price elasticities are true only at the intersection point. The third is the limitation that Figure 1.a. and 1.b. is only a descriptive illustration rather than an econometric analysis. The fourth is the fact that supply and demand are aggregated so that it carries all the necessary assumption of economic aggregation.

Rice supply and demand in domestic market is illustrated in Figure 1.a. The horisontal axis is the volume of domestic production and consumption in million tons and the vertical axis is the price of rice. The aggregate demand had its own price elasticity of demand equal to -1.7 and the aggregate supply function has its own price elasticity of 0,4.[9] Assuming that national rice stock (inventory) is fixed every year, this stock is already included in the demand function. The impact of the fertiliser subsidy is captured by the shift of supply function to the right, from SNF to SF, by about 2 million tons. Some studies estimate that, *ceteris paribus,* the fertiliser subsidy is responsible for this 2 million ton shift in rice production in the mid-1980s. On the one hand, without fertiliser subsidy, it would be necessary to import approximately one million tons of rice in 1986. On the other hand there was a possible surplus by one million ton due to the fertiliser subsidy.[10] Without the fertiliser subsidy, supply will be SNF and domestic autarky price will be PNF. This price is clearly higher than PF, which derived from the intersection of demand and supply with fertiliser subsidy. With the assumption that there is a fixed subsidy, vertical distance between SNF and SF measure the amount of subsidy paid for every unit of rice produced. Furthermore, by assuming that the authority (National Logistics Agency) acts by minimising inventory cost subject to rice availability, constraints will maintain the price between PF and PNF. For simplicity, let's assume the price is Pd and this is equal to the domestic price faced by the consumer.

Based on domestic supply function, the corresponding excess demand-supply function which shows the difference between domestic supplies and demand is illustrated in Figure 1.b. The horisontal axis is the amount of rice exported and imported while the vertical axis is the price corresponding to the vertical axis in Figure 1.a. EDNF is the excess demand-supply function corresponding to domestic supply without fertiliser subsidy, and EDF is the excess demand-

[9]This is based on an empirical study in Steven R. Tabor et al. *Supply and Demand for Foodcrops in Indonesia* (Jakarta: Directorate General Foodcrops, Ministry of Agriculture, 1988).

[10]See for example in Tubagus Feridhanusetyawan, *"Subsidi Pupuk dan Kesejahteraan Petani"* (Fertilizer Subsidy and Farmers Welfare), *Analisis-CSIS* XVIII, no. 2 (Maret-April 1989): 147-161.

supply function with the subsidy. It can be shown that this import demand is more price elastic than domestic consumption demand function.[11] The world demand supply function which determines Indonesia's export or import prices is illustrated by WES1 and WES2. These function are also assumed to be linear which ignores the possibility of backward bending curve. WES1 illustrates the situation where there is a shortage in world market while WES2 describes the situation with a surplus. To simplify the illustration, it is assumed that there is no price difference between c.i.f. delivered import price and f.o.b. export price faced by Indonesia while switching from the position of importer to exporter or vice versa.[12] Therefore, the WES curves are smoothly linear.[13]

The fact that in 1980, Indonesia's rice import was almost 20 per cent of total world trade shows that Indonesia is potentially a large importing country in world market. For this reason, the slope of world price facing Indonesia (WES) is positive and domestic policy will have an impact on the world price. For example, the massive fertiliser subsidy has increased domestic production and reduced the import. In turn, it will lead to the decrease of international import demand for rice and the world price decreases. This is in contrast to the common assumption that small countries received a given world price in the international market.

The world price facing Indonesia in 1986 can be represented by the curve WES2 when the world price of rice is lower than Indonesia's autarky price. Table 2 and 3 show that in 1986, there was only about 200 thousand tons of export with no import, and the world price is about 80 per cent of the domestic price. In 1986, the intersection between domestic demand (D) and supply (SF) in Figure 1.a. was at about 25 million tons and domestic price (Pd) was about Rp 350/kg. Under fertiliser subsidy and free trade, the world price facing Indonesia is the intersection of EDF and WES2 in Figure 1.b. namely PW2. By the construction of the graph, PW2 is lower than Pd. This fits well with the experience in 1986 when the world price was lower than the domestic price. It means that in order to dispose domestic surplus in the world market to reduce inventory cost, there was a big loss in terms of export subsidy. Suppose there was a free trade and fertiliser subsidy, Indonesia tended to import rice, the consumer would gain and the producer (farmers) would lose. Despite the fact that the net gain would be positive

[11]Suppose that Import (I), Domestic Demand (D) and Domestic Supply (S) are only functions of the same Price (P), *ceteris paribus,* such that: I(P) = D(P)-S(P), take derivatives w.r.t. P and manipulate we can get:

$$\frac{P\,dI}{I\,dP} = \frac{D}{I}\frac{dD}{dP}\frac{P}{D} - \frac{S}{I}\frac{dS}{dP}\frac{P}{S},$$

$$Ei = (D/I)\,Ed - (S/I)\,Es,$$

Under ordinary demand and supply function, Price Elasticity of Demand and Import (Ed and Ei) are ≤ 0, Price Elasticity of Supply (Es) is ≥ 0. Because $(S/I) \geq 0$ and $(D/I) \geq 1$, Import is generally more price elastic than Demand.

[12]c.i.f. = cargo insurance and freight, f.o.b. = forward on board.

[13]Compared to the approach used in this paper, Timmer's graphical representation is more specific. *First,* it illustrates the situation in 1984 only. *Second,* it uses a specific price (US$/ton) in both markct. This assumes that there is a fixed exchange rates no matter what happens to levels of rice imports or exports. *Third,* it differs the c.i.f. delivered import price and f.o.b. export pricc. See C. Peter Timmer, "Indonesia: Transition from Food Importer to Exporter", in Terry Sicular ed., *Food Price Policy in Asia* (Itacha: Cornell University Press, 1989).

and a possibility to conduct redistribution programmes for farmers, rice import was politically not the best solution. One reason perhaps is that the achievement of rice self-sufficiency has been announced by the government as national pride.

The situation in the late 1980s can be represented by the curve, WES1, when the world price was relatively higher than domestic price. In 1988, for example, domestic price was about Rp 448/kg while the world price was Rp 484/kg (see Table 3 and Pd in Figure 1.a.). Under the free trade and fertiliser subsidy, Indonesia tended to be an exporter facing export prices derived from the intersection between WES1 and EDF in Figure 1.b. With the construction of the graphs and all the assumption used it would be equal to PW1, which would be greater than Pd. The welfare consequences of trade liberalisation is that consumers would hurt, producers would benefit and the net gain is positive. The increase in domestic price, however, is a politically undesirable effect. Therefore, self-sufficiency in rice remained a popular non-economic objectives at whatever the cost. The importance of rice self-sufficiency based on political interest was too valuable to be replaced by welfare gain from trade liberalisation. In addition, in the short run, trade liberalisation might lead to some problems in the balance of payments. In 1986, when the world rice price is much lower than the domestic price, trade would lead to a lower domestic food price, which increased import demand. At the same time, foreign revenue from oil decreased as the world oil price declined.

The success of self-sufficiency, however, does not mean that it is the efficient policy. The gain from trade can be forgone because of it. Theoretically, in term of international welfare, free trade is potentially superior to autarky position with no trade. Even with tariff involved, restricted trade is still beneficial compared to autarky as long as the tariff revenue is not negative. It is even interesting that this postulate does not depend on a particular trade model. Based on the theory of optimal protection, net domestic welfare gain from free trade is optimal for small open undistorted economy. For a large country, however, free trade might not be optimal because world prices will be affected by domestic policy. There is an optimal tariff or protection to maximise welfare gain. There is also a possibility that providing producer subsidies and allowing free trade is better than doing nothing. Based on this argument, we cannot say that the combination of market insulation is optimal for Indonesia even though there is producer subsidy involved.[14] One example of in efficiency is that the subsidy for farmers has put the price below the cost of production. Comparative advantage seems to be the key issue. If a country can use its resources better on export, there is little reason for wasting resource to pursue self-sufficiency.[15] A big input subsidy may spoil the farmer and lead to inefficient farming, which reduce the competitiveness of the food sector.

Further study can be made to empirically measure the welfare consequences of farmers input subsidy and trade liberalisa-

[14]Rigorous mathematical proof of welfare gain from trade can be found in Avinash Dixit and Victor Norman, *Theory of International Trade: A Dual, General Equilibrium Approach* (Cambridge: Cambridge University Press, 1980). Some discussion of optimal tariff can be found in Jagdish N. Bhagwati and T.N. Srinivasan, *Lectures on International Trade* (Massachusetts: The MIT Press, 1983).

[15]See The World Bank, *World Development Report 1986.*

tion based on a simple diagram such as Figure 1.a. and 1.b. With the information of price elasticities of supply and demand, linear supply and demand function, and some data of price and quantities at a given year, the area which represents the changes of consumer and producer surpluses as a result of such policies can easily be calculated.[16] Even though the result would be valid in partial equilibrium framework, the welfare measurement does not include the changes of price on non-food commodities. It seems to be an unrealistic approach because in the situation when the share of food expenditure in personal consumption is still large, not only the price of food, but also the price of non-food commodities affects people's welfare.

Several Concerns

Even though rice self-sufficiency has been proudly announced as one of the greatest achievements of the economic development, food self-sufficiency is still far behind. Table 4 shows that based on food trade performance, Indonesia is still considered to be a net importer of food in the world market. Between 1976 and 1986, total food trade deficits were never below Rp 200 billion. The deficit increased from Rp 218 billion in 1976 to about Rp 550 billion in 1980. It reached its peak in 1983 by Rp 887 billion and in 1986, it was still Rp 473 billion. This is mainly due to the wheat imports. Even though rice trade surplus began in 1985, the deficit in wheat trade increased sharply from Rp 106 billion in 1982 to more than Rp 350 billion in 1986. This illustration shows that the success story in achieving rice self-sufficiency does not change the status of Indonesia as a food importer.

Indonesia's food trade policy in general and rice policy in particular has put the provision of adequate supply of food at affordable prices as the primary objective. This objective seems to be more important compared to the provision of satisfactory return to producers (farmers). The policy has successfully kept the price of food stable and low. Table 3 shows that real price of rice, which is deflated by the Consumer Price Index (CPI) has been relatively constant since 1970. The deflated producer price was Rp 170/kg in 1974 and it was still Rp 170/kg in 1987. There has been a similar trend in deflated consumer prices, which range from Rp 198/kg to Rp 210/kg in the same period. In fact, rice prices which have been held constant in real terms since 1970 have put a pressure on rural incomes. Farmers' term of trade index, defined as the ratio of producer price index received by farmers to consumer price index paid by farmers in per cent, provides another illustration that farmers received negative net benefit from the overall policy. Table 5 shows that farmers' terms of trade in Java and Madura decreased from 120.1 in 1983 to 113.2 in 1988.[17] Even between 1986, 1987 and 1988, the annual per cent changes were -4.1 and -3.7 per cent respectively. This fact implicitly shows that relative price of food in terms of non-food has significantly decreased.

[16]See R.E. Just, D. L. Hueth and A. Schmitz, *Applied Welfare Economics and Public Policy* (Prentice Hall, 1982).

[17]Because the calculation of the farmers' terms of trade does not include the information about yield, under a constant term of trade, farmers may be better off when yield increases. However, yield did not increase very much in 1983-1988 period (see Table 2), so in this case, the farmers' terms of trade still can be used to the measure farmers' welfare.

Table 4

MAJOR FOODS BALANCE OF TRADE, 1976-1986*
(Rounded in Current Billion Rupiahs)

		1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Rice	Export	8.1	7.1	8.4	4.8	12.2	14.1	5.8	18.5	18.3	84.8	41.7
	Import	192.3	285.5	375.4	387.8	437.8	135.7	83.7	420.1	145.6	13.9	14.1
	Net Trade	-184.2	-278.4	-367	-383	-425.6	-121.6	-77.9	-401.6	-127.3	70.9	27.6
Wheat	Export	0	0	0	0	0	0	0	0	0	0	0
	Import	32.2	18.7	50.6	58.1	104.3	98.6	106.3	334.6	301	289.4	351.2
	Net Trade	-32.2	-18.7	-50.6	-58.1	-104.3	-98.6	-106.3	-334.6	-301	-289.4	-351.2
Maize	Export	0.3	0.8	1.6	0.5	1.3	1	0.1	2.6	23.5	0.7	0.9
	Import	4.1	0.9	4.4	9	4.9	1.6	9.9	6.1	11.2	9.6	12.2
	Net Trade	-3.8	-0.1	-2.8	-8.5	-3.6	-0.6	-9.8	-3.5	12.3	-8.9	-11.3
Soybean	Export	0	-0	0	0	0	0	0	0.1	0.1	0.1	0.1
	Import	8.8	9.9	25.2	34.2	45.3	97.9	100.8	139.7	202.6	125	194.6
	Net Trade	-8.8	-9.9	-25.2	-34.2	-45.3	-97.9	-100.8	-139.6	-202.5	-124.9	-194.5
Groundnut	Export	0.4	0.4	0.3	0.3	1.3	0.5	0.4	0.8	0.7	0.8	0
	Import	0.2	0	0.1	2	3	4.2	31.2	27.2	16.3	11.8	23.2
	Net Trade	0.2	0.4	0.2	-1.7	-1.7	-3.7	-30.8	-26.4	-15.6	-11	-23.2
Mungbean	Export	0	0	0	0	0	0	0	0	0	0	0
	Import	0.1	0	0	1.2	1.3	0.4	8	3.2	0.8	0.5	4.3
	Net Trade	-0.1	0	0	-1.2	-1.3	-0.4	-8	-3.2	-0.8	-0.5	-4.3
Cassave	Export	4.6	5.6	12.3	46	27.4	21.3	11	28	35.1	50.7	60.8
	Import	1.8	0.8	0.1		2.1		7.9	12.4			
	Net Trade	2.8	4.8	12.2	46	25.3	21.3	3.1	15.6	35.1	50.7	60.8
Total	Export	17.2	14.1	25.3	60.1	45.9	37.7	27.2	53.4	65.3	145.9	114.7
	Import	235.7	315.7	452.9	483.9	595.1	338.8	338	940	690	441.3	588.6
	Net Trade	-218.5	-301.6	-427.6	-423.8	-549.2	-301.1	-310.8	-886.6	-624.7	-295.4	-473.9

*Including Raw Material and Processed Food

Source: Steven R. Tabor et al. "Supply and Demand for Foodcrops in Indonesia", Directorate General Foodcrops, Ministry of Agriculture, 1989.

Table 5

AVERAGE FARMERS TERM OF TRADE INDEX IN JAVA + MADURA 1983-1988*
(1976 = 100)

Year	1983	1984	1985	1986	1987	1988**
Term of Trade	120.1	120.7	120.0	122.5	117.5	113.2
Per Cent Change		0.50	-0.58	2.08	-4.08	-3.66

*Defined as ratio of producer's price received by farmers over consumer's price paid by farmers in per cent
**Average of 9 months in 1988

Source: Central Bureau of Statistics, "Statistical Year Book of Indonesia 1988".

Table 6

AVERAGE WAGES IN LARGE-MEDIUM SCALE MANUFACTURING INDUSTRIES AND ESTATES
(Rp/Day)

Year	CPI (1980 = 1)	Large-Medium Scale Manufacturing		Estates	
		Daily Nominal Wage*	Daily Real Wage	Daily Nominal Wage	Daily Real Wage
	(1)	(2)	(3) (2/1)	(4)	(5) (4/1)
1985	1.59	3,487	2,195	1,623	1,021
1986	1.68	3,721	2,212	1,748	1,039
1987	1,84	4,064	2,211	1,835	998

*Assumed 300 working days a year

Source: Central Bureau of Statistics, "Statistical Year Book of Indonesia, 1989".

While the agricultural sector received a high level of protection in terms of market insulation, domestic industry has also been protected through tariff and other instruments. The protection of the industrial sector has led to expensive industrial input to food sector. Fertiliser, however, has been an exception. Fertiliser is heavily subsidised because it significantly increased rice yield to achieve rice self-sufficiency. Most fertiliser is domestically produced and distributed to farmers with a big subsidy. Despite special treatment to fertiliser input, the cost of other industrial input such as tools, tractors,

engine and other inputs made of steel and iron has increased. These inputs have been produced at high cost, partly due to high protection in manufacturing sectors. Domestically assembled engines for small tractors were much more expensive compared to imported engines. The domestic steel and iron industries have been highly protected and has operated at high cost. Economic growth in 1970s and 1980s has pushed up the demand for manufactured consumer goods and raised prices. This has also put the pressure on farmers by reducing their purchasing power. Combined with constant real price of rice, those factors have been responsible for the deterioration of farmers' terms of trade.

According to Specific Factor Model, in the short run, the increase of price of goods will raise the price of factors specific to that sector.[18] In the long run however, it depends on the capital intensity of such technology used within the sector. The decrease in relative price of agricultural commodities in terms of non-agricultural commodities will lead to capital outflow away from agricultural to non-agricultural sectors such as manufacture and services. Even in the very short run, when labour is not mobile, the deterioration of relative price of agricultural commodity, such as food will lead to lower wages in the agricultural sector. Table 6 illustrates that the real wage of workers in estates is much lower than that of workers in the manufacturing sector. Daily real wages of large-medium scale manufacturing industries during 1985-1988 period was about Rp 2200/day. At the same time, estate workers received about Rp 1000/day, less than half of the amount received in the manufacturing sector. This illustration shows that wage in states, as a subsector of agriculture, has been much lower than that of those in the manufacturing sector. In turn, it will lead to labour outflow from agriculture to other sectors. Unemployment will occur if those sectors are not ready to absorb the excess labour supply.

More rigorous study can be made to build a model and to estimate labour and capital movement as a result of trade policy in Indonesia. To include multisectoral issues such as farmers' terms of trade and real wages, a general equilibrium framework is needed. This may not be easy, however, since a general equilibrium model, which devices the economy into only two sectors (food and non-food) and two input factors (such as fertiliser and non-fertiliser) might not be appropriate. The diversity of non-food sectors, the difference of tariff rate applied within those non-food sectors and the variety of treatment in input factors makes an analysis in the general equilibrium framework a complex problem.

Another concern is the decrease in the marginal product of fertiliser input in rice production because of over-saturated land in the late 1980s. Excessive fertiliser treatment in the last ten years has soaked the land so that the additional fertiliser input has not significantly increased yield. It seems that the marginal product of fertiliser has nearly reached its peak. Based on the data from Table 2, it can be calculated that the rice yield grew by almost 3.5 per cent annually in the period 1971-1983, while the yield between 1983-1988, was about 1.7 per cent. Since the additional fertiliser treatment

[18]See for example in J. Peter Neary, "Short-Run Capital Specificity and the Pure Theory of International Trade", in Jagdish N. Bhagwati, ed., *International Trade: Selected Readings* (Massachusetts: The MIT Press, 1987).

could not increase the yield, the fertiliser subsidy was not useful.

Policy Alternatives

High level of protection in the industrial sector, which led to high price of industrial input to food sector and huge fertiliser subsidy to farmers shows that Indonesia's trade policy does not appear consistent. This is one example which reveals that sometimes, overall macroeconomic policy does not move in the same direction with sectoral policy. The consistency and coordination among those policies should be maintained. Despite the need to implement a multi-sectoral policy, farmers welfare needs to be given the top priority of food policy agenda.[19]

One possible alternative to raise farm income is higher protection in the food or agricultural sector. This happens in Japan and Korea, where the domestic price is much higher than the world price. Based on optimal tariff theory, even a big importing country like Indonesia would be better off by imposing optimal import tariff rather than doing nothing. However, as Japan and Korea, higher protection through tariff in food sectors would lead to higher domestic food prices.[20] In turn, it would lower real wages, especially for consumers in urban areas. For this reason, the rise of food price does not sound politically possible. Protection in the food sector by border tariff implicitly means taxation of non-food sectors and lower competitiveness in the world market. This will be inconsistent because there has been an export-oriented policy in industrial-manufacturing sectors since the late 1980s.

A better solution is perhaps a coordinated multi-sectoral policy, which concerns not only food availability but also farmers welfare. This could be implemented by reducing the cost of industrial input to farmers, not only in fertiliser but also in other inputs such as machinery, diesel engines, and tractors. In fact, domestic steel industries have received a high degree of protection. High tariff protection of those industries has led to high cost of industrial input and has biased farmers' benefit from fertiliser subsidies. The farmer would not be worse off if the fertiliser subsidy were re-

[19]A simple model can be made to illustrate these policy changes. Suppose, given feasibility constraints, the social planner chooses output to maximize Social Welfare Function (SWF):

$SWF : W = W(CS,PS,\alpha) = \alpha PS + (1-\alpha)CS + NR(\alpha)$

CS : Consumers surplus,
PS : Producers surplus,
NR(α): Net Revenue (Tariff and Subsidies) from Policy Intervention as a function of α,
α : Government policy parameter, the value is between 0 and 1
when $\alpha = 1$, producer is better off
when $\alpha = 0$, consumer is better off
when $\alpha = 0.5$, consumer and producer are equally weighted.

The policy to increase farmers' income should choose α between 0.5 and 1. Similar formulation can be found in Bruce L. Gardner, *The Economics of Agricultural Policies* (Macmillan Publishing Co., 1987).

[20]The Metzler paradox says that under big country assumption, border tariffs might lead to lower domestic prices. The necessary condition is a negative slope of world supply function which determines import price. As long as world supply function facing Indonesia is positively sloped, any border tariff would lead to higher domestic prices. See for example Metzler L., "Tariff, the Terms of Trade and the Distribution of National Income", in *Journal of Political Economy* 57, no. 1, 1949.

duced and at the same time the cost of other industrial input were lowered. This would fit well to the tendency that the marginal product of fertiliser tends to reach its peak in the late 1980s. Wider participation of the private sector in the distribution of farmers' input might also increase the efficiency within the sector.

Indonesia's rice trade policy seems to be at a crossroad. On the one hand, the high share of food in per capita expenditure which has put a major constraint in that relatively low and stable food price is still the primary objective of every policy. Because of world market fluctuation, self-sufficiency seems to be very important. On the other hand, maintaining market insulation and producers' subsidies is not an efficient policy in term of massive public expenditure. Sooner or later, this high cost policy will have to face budgetary constraints. The necessity to provide low and stable domestic prices leads the formulation of the policy that seems to be the second best solution. One possible alternative is keeping producer subsidies while, at the same time, opening the possibility of trade. It means that even though self-sufficiency remains to be an important objective, market insulation does not have to be the only policy. To keep domestic prices stable and low, the government could predetermine domestic prices and then, choosing the right amount of producer subsidy, minimise the government expenditure. This producer subsidy is sustained to increase self-sufficiency. The partial equilibrium model below will illustrate how the alternative policy can be formulated formally.

Suppose that stable and low domestic price is the first priority. For this reason, fixed domestic price, which is lower than domestic equilibrium price, is set to be the constraint of the policy. Figure 2.a. shows how the situation can be illustrated. Suppose that maximum price Pd is pre-set by the single government food agency such that the domestic demand is fixed at D* and in turn it leads to an excess demand (D* - Qpd). Let's consider first the policy of market insulation and producer subsidy to achieve food self-sufficiency. In order to produce at D*, the government has to provide the producer subsidy by as much as Ps-pd, and the total subsidy is the area PsABPd. This is practically what has happened in Indonesia's rice policy since the achievement of rice self-sufficiency. To meet the domestic demand, massive producer input subsidy is used to drive the domestic supply so that the import becomes zero and at the same time domestic price is kept at low level. It can be shown from Figure 2.a. that the policy is very expensive since the area which represents the government expenditure to finance the producer subsidy is very large.

There is another policy which will reduce government expenditure without changing the Pd if at the same time trade is allowed. Now suppose that trade is a possibility and there is a relation between domestic market and international market. Facing the same constraint, fixed domestic price Pd is already pre-set. The corresponding excess demand in the world market is expressed by the linked import demand (I) in Figure 2.b. The curve is linked because in the domestic market, the maximum domestic price for consumer is already set at Pd and derives the fixed domestic demand at D*. This import demand (I) curve crosses the world supply function (WES) at Eo and determines the world import price Pw° and Import equal to Io. The slope of WES function is positive because, assuming we are dealing with a large impor-

Figure 2.a.

DOMESTIC MARKET

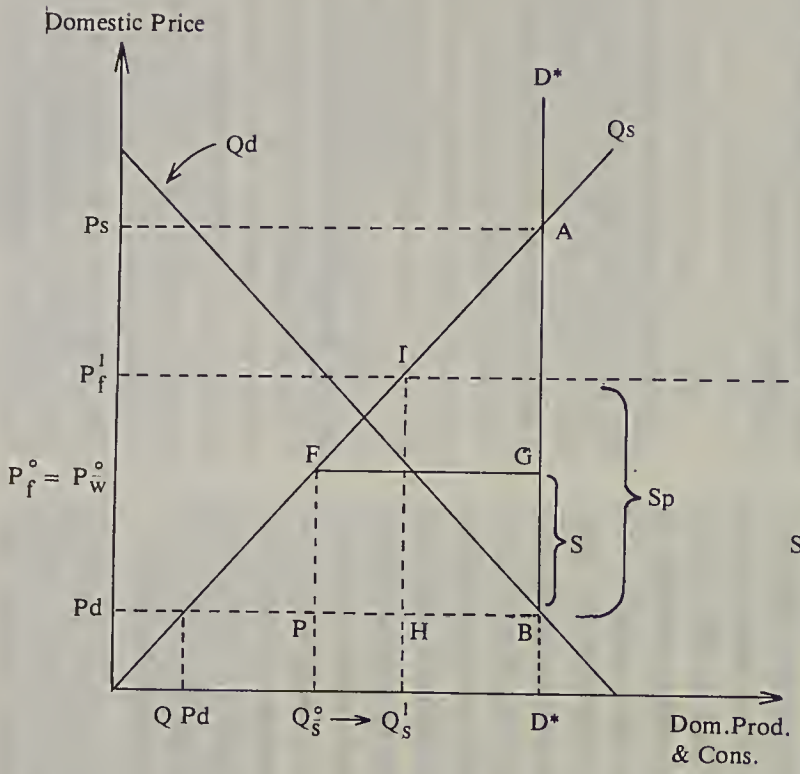
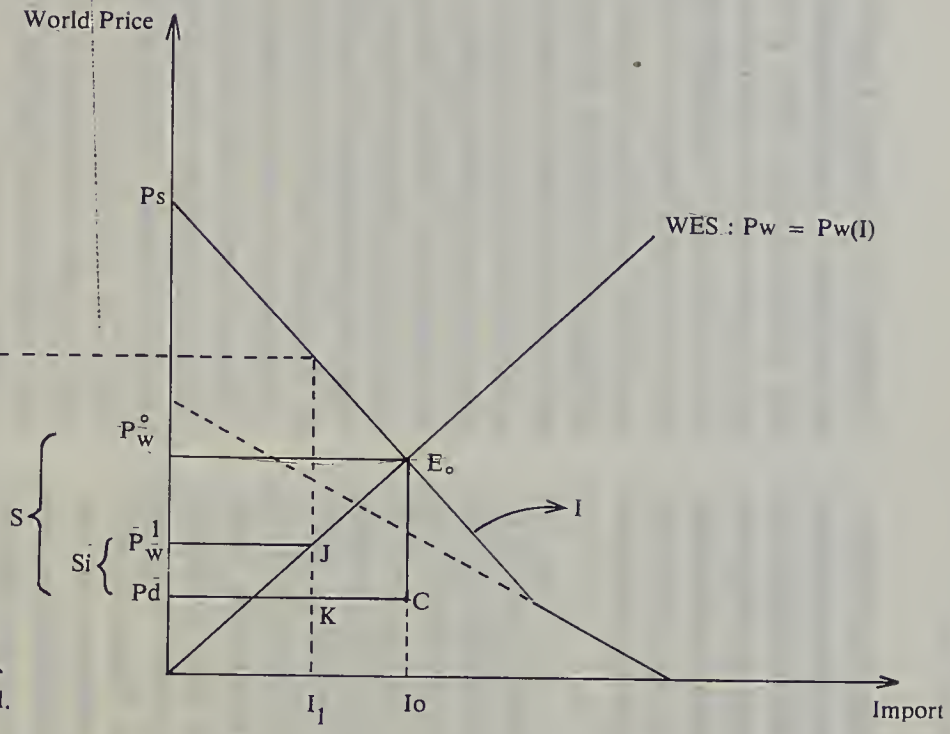


Figure 2.b.

INTERNATIONAL MARKET



Some Notations for Figure 2.a. and 2.b.

Qd = Domestic Demand as a Function of Consumer Price (Pd)
Qs = Domestic Supply as a Function of Producer Price (Pf)
I = Derived Import Demand in the World Market (Qd - Qs)
WES = World Excess Supply which determines Indonesia's Import Price. The inverse function of WES is Pw = Pw(I)

ting country, the world price Pw is a function of import. Let's assume first that the government provides the same subsidy for domestic producer and consumer. The producer (farmer) faces price Pf° = Pw° and produces Qs°, the consumer faces Pd and consumes D*, and the subsidy is therefore S. In Figure 2.a., total government expenditure is Pf° GBPd (equal to area Pf° FDPd in Figure 2.a. plus area Pw°EoCPd in Figure 2.b.) and it is clearly smaller than the expenditure when there was a policy of market insulation PsABPd), as illustrated in previous paragraph.

Suppose that to reduce dependency on the world market, the country is now attempting to become self-sufficient. The purposed policy is to elevate the producer subsidy and to reduce the import subsidy, while maintaining low and stable domestic prices, on the justifications of increased self-sufficiency and reduced public expenditure. It means that, under the construction of the model, the producer and the consumer do not need to face the same subsidy, S. To increase domestic production, the producer receives a producer subsidy (Sp) and the consumer receives an import subsidy (Si). Figure 2.a. illustrates that Sp is greater than S, Pf° increases to Pf^1, and therefore raises domestic supply from Qs° to Qs^1. In turn, import decreases from Io to I1, and the world price decreases from Pw° to Pw^1. To maintain fixed and low subsidy, namely Si. In Figure 2.a. and 2.b., Si is less than Sp. The public expenditure is now Pf^1 IHPd public expenditure is now Pf^1 IHPd (producer subsidy in Figure 2.a.) plus Pw^1 JKPd (import subsidy in Figure 2.b.). Because of this wedge, import decreases, domestic production and self-sufficiency increases. This objective fit the situation in Indonesia when there was a policy shift from import subsidy to producer subsidy to achieve rice-self-sufficiency. The difference is that this exercise model still allows some imports while in Indonesia's case the import of rice is banned.

The problem now is to find the best value for the producer subsidy (Sp) and import subsidy (Si). It is obvious that the constraint is the fixed domestic price (Pd) and therefore all optimisation problems have to face this constraint. Let's assumed that the objective is to minimise government expenditure by maintaining a fixed Pd and finding the best value of Si and Sp. Some equations below are useful to illustrate the model and to derive mathematically the best value of the subsidy:

1. $Qs = Qs(Pf)$	: Domestic supply function illustrates that the producer faces producer price Pf.
2. $Qd = Qd(Pd)$	: Domestic demand function shows that the consumer faces consumer price Pd.
3. $I = Qd - Qs$	: Import is determined by the difference between domestic demand and supply.
4. $Pw = Pw(I)$	: Because of large importing country case, the inverse of world supply function which determines the world price (Pw) is a function of import (I).
5. $Pf = Pd + Sp$	: Producer price (Pf) is greater than the Consumer price (Pd) by the amount of fixed producer subsidy (Sp).
6. $Pw = Pd + Si$	: To keep domestic consumer price Pd low, there is an import subsidy (Si).
7. $C = SpQs + SiI$	: This is government expenditure.

There are seven endogenous variables namely Qs, Qd, I, Pw, Pf, Sw, C and two exogenous variables namely Pd and Sp.

In this model, Pd and Sp are treated as

two government's policy parameters. When low domestic price is a constraint, similar to the situation in Indonesia, Pd could be predetermined by the government and there would be only one choice variable left namely Sp. Under the construction of the model, the objective of the government is to minimise the cost of public expenditure (C) with respect to the producer subsidy (Sp), given the previously determined domestic price Pd. From those seven equations, by substitution we can get one equation:

$$C(P_d, S_p) = S_p \cdot Q_s(P_d + S_p) + [P_w(Q_d(P_d) - Q_s(P_d + S_p)) - P_d] \cdot [Q_d(P_d) - Q_s(P_d + S_p)]$$

Because Pf = Pd + Sp and for given Pd there is one policy variable left namely Sp. Take derivation w.r.t. Sp, set this equation equal to zero to minimise C, substitute Pw-Pd = Si and rearrange we get:

$$\frac{Pf}{Pw} = \frac{1 + Ei}{1 + Es}$$

Where Ei is the reciprocal of Price Elasticity of world supply and Es is the reciprocal of Price Elasticity of domestic supply. The complete derivation procedure can be seen in Appendix 1.

It shows that the ratio of producer price (Pf) over the world price (Pw) depends on world price elasticity of world supply function (Ei) and producer price elasticity of domestic supply (Es). Because Pf = Pd + Sp, and Pw = Pd + Sw, the government is able to pick the best value of producer subsidy (Sp) and also import subsidy (Si) to minimise its expenditure. It means that by allowing import the government will still be able to maintain stable and low domestic price, to reduce dependency on international market and to increase self-sufficiency. There is a combination between producer subsidy and import subsidy such that public expenditure is minimised, given fixed and low Pd.

This model, however, does not automatically determine the exact amount of producer subsidy given all the price elasticities. One theoretical problem is that the world supply elasticity is still in a functional form. It depends on the amount of import because of the big importing country assumption. Further empirical study is needed to implement this model, as in the case of rice policy in Indonesia. This is only a mathematical model, providing a base for further study.

Instead of food self-sufficiency, there are still some other policy alternatives which can be used to increase food security in the country. The first is a long trade agreement which ensures import availability. This happened in the case of grain trade between the United States and the Soviet Union. The second is the massive buffer food stock, which might be very expensive in terms of inventory costs. It is believed that the Japanese have food stocks equal to more than two years of consumption. The third alternative is diversification of import sources, which reduce dependency on a single food exporter. The fourth alternative is the reduction of dependency on rice by seriously promoting food diversification programs at the national level. In other words, in terms of food security, food self-sufficiency which is achieved by market insulation is not always the only policy.

Conclusion

This article shows that the high-cost rice trade policy in Indonesia is still favours the consumer. Even though it significantly increases the production, massive producer subsidies and market insulation have not provided net benefit to farmers. The necessity to set low and stable domestic rice prices has put a major constraint on overall policy. Even though there has been a massive fertiliser subsidy, protection on non-fertiliser industrial input has biased farmer's net benefit from the fertiliser subsidy. When the marginal production of fertiliser has achieved its peak because of over-saturated land, the fertiliser subsidy would not be the best instrument to increase the yield. Constant real price of rice has also deteriorated farmers' terms of trade, lowered real rural income and reduced farmers' purchasing power. Political will is needed to include not only production targets also farmers' welfare in the priority list of policy agenda. It can be implemented by coordinated and consistent multi-sectoral policy. Wider participation of the private sector in the distribution of farm input might also increase the efficiency.

This article does not contend that rice self-sufficiency is not important for Indonesia. Based on experience that there was a food insecurity in 1974 because of world shortage of rice, rice self-sufficiency still remains an important objective. In order to avoid similar problem in the future, and to reduce the high-cost policy related to self-sufficiency, dependency on rice should be reduced. It means that the diversification programme in food consumption should be promoted. The decrease in dependency on rice will eventually reduce the pressure to put rice self-sufficiency as the main objective. Even though the diversification programme is beyond the scope of this paper, it is important to note that a nation-wide campaign of food consumption diversification programme should be promoted in the near future.

With respect to the importance of self-sufficiency, this article has shown that market insulation and a massive producer subsidy is a high-cost policy. Even though the result is impressive in terms of production, sooner or later the high-cost policy has to face not only budgetary problem but also opportunity costs in the form of inefficiency. Given a producer subsidy, market insulation might not be necessary. It means that, in terms of domestic welfare, flexible trade policy, allowing import when the world prices are lower than domestic prices, does not mean an inferior policy compared to market insulation.

Political consideration that domestic price should be stable and low has put a major constraint on the overall policy. Alternative policy which has been illustrated by a model exercise in this paper shows that efficiency can be improved by allowing trade and maintaining producer subsidies. Based of the constraint that domestic price is fixed at low levels, the model shows that the public expenditure can be reduced by allowing trade without ignoring the importance of self-sufficiency. In other words, the alternative policy still considers self-sufficiency as an important objective, at the same time opening a possibly increasing efficiency. According to the model, the policy maker is able to minimise the expenditure by setting the import subsidy and producer subsidy based on price elasticities of world and domestic supply. The model provides a theoretical background on how the best subsidy can be set. Further empirical study can be made based on this model to determine the best numerical amount of the subsidy.

Appendix 1

MATHEMATICAL DERIVATION OF MODEL EXERCISE

$$C = S_p \cdot Q_s + S_i \cdot I$$

$$C = S_p \cdot Q_s + [P_w - P_d] \cdot [Q_d - Q_s]$$

$$C(P_d, S_p) = S_p \cdot Q_s(P_d + S_p) + [P_w(Q_d(P_d) - Q_s(P_d + S_p)) - P_d] \cdot [Q_d(P_d) - Q_s(P_d + S_p)]$$

Because Pf = Pd + Sp and for given Pd, there is one policy variable left namely Sp. Take derivation w.r.t. Sp

$$\frac{\partial C}{\partial S_p} = [S_p \cdot \frac{\partial Q_s}{\partial P_f} + Q_s] - \frac{\partial P_w}{\partial I} \cdot \frac{\partial Q_s}{\partial P_f} \cdot I - (P_w - P_d) \cdot \frac{\partial Q_s}{\partial P_f}$$

$$\frac{\partial C}{\partial S_p} = [S_p \cdot \frac{\partial Q_s}{\partial P_f} + Q_s] - [I \cdot \frac{\partial P_w}{\partial I} \cdot \frac{\partial Q_s}{\partial P_f} + (P_w - P_d) \cdot \frac{\partial Q_s}{\partial P_f}]$$

Set this equation equal to zero to minimise C, we will get:

$$-Q_s = \frac{\partial Q_s}{\partial P_f} \cdot [S_p - I \cdot \frac{\partial P_w}{\partial I} - (P_w - P_d)]$$

Because Sp-(Pw-Pd) = Pf-Pw and manipulate we can get;

$$\frac{-P_f}{P_w} \cdot \underbrace{[\frac{Q_s}{P_f} \cdot \frac{\partial P_f}{\partial Q_s}]}_{E_s} = \frac{P_f - P_w}{P_w} - \underbrace{[\frac{I}{P_w} \cdot \frac{\partial P_w}{\partial I}]}_{E_i}$$

$$E_i + 1 = \frac{P_f}{P_w} \cdot [1 + E_s], \quad finally \quad \frac{P_f}{P_w} = \frac{1 + E_i}{1 + E_s}$$

Where Ei is the reciprocal of Price Elasticity of World Supply
Es is the reciprocal of Price Elasticity of Domestic Supply

Book Reviews

Success of Development: Side-Effect and Solution

Mengungkap Masalah Menatap Masa Depan (Uncovering the Problems of Anticipating the Future), by Ex-Armed Forces General Soemitro. Jakarta: Pustaka Sinar Harapan, 1991, 111 pp. Reviewed by **M. Djadijono.** This review article is translated from its Indonesian version.

WHILE many people are still busy looking for and thinking about the kind of suitable concept for the second Long Term Development Programme that will be started in 1994, ex-General Soemitro has already succeeded in writing a fairly monumental book titled: *Mengungkap Masalah Menatap Masa Depan* (Uncovering the problem of anticipating the future) published by Pustaka Sinar Harapan, 1991.

This book containing three chapters provides a critical evaluation in simple but effective language on the result of national development until now (pp. 41-55) and its side-effects (pp. 56-70). Besides there is also given the way out that can be given, at least till the end of *Pelita* VIII (the VIIIth Five Years Development) (pp. 86-109).

Successes and Deficiencies

In order to reach the priorities set in the economic field, other priorities, including the political ones, are consciously pushed aside. Developments in the economic field has indeed succeeded in creating all infrastructure and facilities, and the sound development of economy has created a strong confidence among both developed and developing countries, enabling further development. However, what has emerged is a capitalistic economic system that is not dissimilar to that of the colonial times; the practice of exploitation (of man by man) can be clearly seen, including the exploitation of man by the state as in the case of clove trade; the 1945 Constitution has given the message that the development of economy must be based on the principles of family system with: economic democracy, and cooperatives as the bases for the implementation of

development parallel with BUMN (State enterprises) and private enterprises. However, BUMN enterprises that should pioneer the development of cooperatives have exactly used PT (Limited Enterprise) as their means of operation, so that the development of the cooperatives is left far behind. BUMNs that should become a means to control strategic economic activities now exactly dominate the sector that properly should be left to the private enterprises, so that it limits the opportunity of private enterprises. Furthermore, facilities given by the state for peasants and small-scale entrepreneurs through KIK (*Kredit Investasi Kecil* or Small Investment Credits), KMKP (*Kredit Kerja Modal Permanen* or Permanent Working Credits), Bimas (*Bimbingan Masyarakat* or Mass Guidance) as well as *'Kredit Umum Pedesaan'* (General Credits for Villages), because of the corrupt national bureaucracy are not carried out as they should. Those facilities are even enjoyed by those who have no right to them; the peasants are just made scapegoats of the 'kredit Bimas' arrears', whereas it is a fact that those arrears were not caused by the peasants.

In the political field, although all institutions for carrying out Pancasila democracy have already been established according to the 1945 Constitution, they have made healthy democratic life infertile in practice because of continuous manipulation. The overcentralised development management has made functionaries more decisive than the system, the regions are very dependent on the centre and this has given rise to neo-feodalism; corruption is practiced everywhere, thus giving the impression that it is the government itself that has made the links of the chain of corruption.

In the socio-cultural field the importance of education is acknowledged to promote the intellectual life of the nation and to overtake arrears in technological know how, but no comprehensive plan and pattern for developing human resources can as yet be prepared to support the industrialisation and modernisation era, because what has been chosen is the expansion of education and not the improvement of its quality.

Another weakness that can be seen is that one of the pillars of Indonesia's glory in the past is navigation, but this has not as yet been revived. Until the end of the 1st Long Term Development, what has been accomplished amounts to solidifying the Archipelagic outlook while implementation has not yet occurred.

In this connection Indonesia's position appears weak compared to that of the gang of four (Singapore, Japan, South Korea and Taiwan) that are already prepared in every forum to shift from the European and Atlantic era to the Asian-Pacific post-Cold War era.

With all those deficiencies and success General Soemitro has concluded that physically the 1945-Generation has just succeeded in laying the basis for national development by stabilising the western part of Indonesia and has initiated the development of the eastern part. It will be the task of the following generations to continue national development on the basis that has been laid ideologically and constitutionally by the first generation of Indonesians, and institutionally and operationally by the 1945-Generation.

The Proposed Solutions

Some points of the way out are proposed as a package of policy for the period of car-

rying out the Second Long Term Development Programme, at least till the end of *Pelita* VIII. They are as follows: (1) entering the year 2000 and looking forward to the twenty first century the Indonesian nation must be capable of making the western part of Indonesia with Sumatera as axis and supporting base of activities and cooperation with the African, European, Middle East and South Asian regions, and the eastern part of Indonesia with Irian Jaya and the Moluccas as axis and base of activities and co-operation with the South Pacific, the North-American West-coast regions and the Central and South American regions. To realise it, support is required by building a national logistics line and a strong fleet. Besides the acceleration of the modernisation and industrialisation process and the development of the modern Indonesian man, who highly esteems achievement of every man, should not be posponed; (2) the economic field must really reflect the implementation of the economic democratic system supported by private elements, co-operatives and operational BUMNs, 60% of the results of production can be absorbed by the domestic market, 30% of the food production can be made available for foreign aid, Java is no longer the only focal point for investors in Indonesia, and the economic activities are already capable of absorbing most of the available labour force; (3) in the political field, the DPR members must be able to continuously monitor the mistakes and the successes of the MPR mandatary; political parties must be given seats in the cabinet, political parties/Golkar as well as mass-organisations, must become movements that are rooted in society, and therefore their organisations must reach the village level, people's representatives must be near their electors and therefore in 2003 the General Election can be carried out using the district system; (4) in the field of *'hankamneg'* (state defence and security), the implementation of the dual function of the Armed Forces should be perfected and adapted to the development of a more orderly and normal life of the nation and the increasing number of the capable cadres of the nation. In the normal pattern, the role of the dual function of the Armed Forces is confined to realising the participation of the Armed Forces in the political decision-making process at the national level, the final stage of security maintenance of Pancasila and the 1945 Constitution, and to secure the integrity of nation and state.

Although this book is very good, it has also some substantial as well as editorial weaknesses, for example: the mother-organisations of the DPR-members are not only the political parties and Golkar (p. 100), but also ABRI (the Armed Forces). In the past Pancasila's validity was not only doubted with regard to two ideologies, namely capitalism and communism (pp. 41-42), but also adherents of religious ideologies, in particular Islam have once also doubted the validity of Pancasila as can be seen in the sessions of the *'Konstituante'* (the Constitutional Assembly) and the process of MPR Decree *(Tap*/II/MPR/1978) on P-4. There are weaknesses of editorial character in the use of the term "gravitas" or "gravitasi", *"adijaya"* or *"adidaya"*, and the inconsistency of the use of the term *pribumi* and *bumiputra.*

Notwithstanding some weaknesses, through reading this book accurately we feel to have got *an academic paper* for composing an agenda of national political decisions in facing the internal as well as the external challenges of the era in carrying out the Sec-

ond Long Term Development Programme. This book is thus suitable if it is seriously studied and digested by the DPR candidates, the members of the People's Consultative Assembly, ABRI personnel, governors, regents, the national as well as regional designers of development and the younger generation, who will inherit the future.

Trade, Traders and Trading in Rural Java

Trade, Traders and Trading in Rural Java, by Jennifer Alexander. Singapore: Oxford University Press, 1987, xvi + 223 pp. This review article is written by **Anne Greene.**

WITH the women's movement making news in the 1970s, Jennifer Alexander, an Australian graduate student, decided to make female traders in Indonesia the focus of her doctoral fieldwork. On site, her interests broadened to the topic of trade, in which women play a central role. The results of this research, published in 1987 as *Trade, Traders and Trading in Rural Java,* by the Asian Studies Association of Australia and the Oxford University Press, provides a comprehensive study of these topics.

Alexander spent fifteen months in Central Java, living in a small town, learning about her subject essentially by following traders on their rounds. She would get up before six o'clock to accompany them to market by foot, pony car, or minibus. Afterwards, around one o'clock, she would help them put away their goods. On days when there were no local markets, she searched out others further afield.

Being analytical was not easy, according to the author, who spoke of limitations to both questionnaires and tape recorders. The first were difficult to use both because it was hard to ask the right questions and because traders did not always have answers to questions about production sources and profit margins. Interviews worked better and she was able to conduct a market census with fifty households concerning the ways traders' careers and sources of finance were governed by class position. The second was difficult to use in markets due to background noise and because traders and customers tended to move around while bargaining. Even so, two annotated Javanese conversations are included in the book, along with English translations. Alexander was moved to observe, however, that her most important source of information came from watching the business activities of thirty women traders.

We are introduced to the region, the villages the author lived in and studied, the people and their work. The *Kabupaten* (regency) of Kebumen, the focal point of the study, is located 110 kilometers west of Yogyakarta. This rural Central Javanese area, nevertheless had 34,000 inhabitants and a population density of 800 per square kilometer.

Agriculture is dominant economic activity and many kinds of crops are grown; few are eaten locally. Although rice is grown in Kebumen, most people there cannot afford to eat it more than once a day so sweet potatoes, maize and cassavas have become the low cost staple. Higher paying cash crops, such as spinach, eggplant, long beans, and bananas and less perishable crops, including citrus, yams, peanuts, and coconuts are grown for export. Little food is imported.

There are few large urban centres as a rule in Javanese settlement patterns and none in Kebumen. Social division is clearest between civil servants *(pegawai negeri)* and everyone else. There are two minor ethnic minorities, however, including a few Chinese and Chinese-Indonesian families and one Arab family. Older residents remarked that they avoided doing business with these people because they would be forced to use Indonesian rather than Javanese. This provocative topic was not pursued.

The core unit of the community is the nuclear family. Almost everyone over twelve years old works. Kinship ties are important and older children are often sent to live with relatives to tend a new baby so a mother can return to work. Children's labour is generally rewarded with presents rather than cash.

Alexander lived in the village of Babadsari, and it was rural and poor by most standards. There was no electricity nor sanitary facilities for the population of 3,000. Most food was home grown and local travel was by foot and horse-drawn carts. Minibuses could be hired for long distance travel.

Although everyone was poor by most urban standards, there were important local distinctions. There was an elite, comprised of the village officials, civil servants on pensions, and landowners with at least half a hectare of property who made up 10% of the population. Next there were the middle peasants with less acreage. At the bottom were the peasants with no land or steady employment. They made up 36% of the population.

Virtually all of the women worked outside the house but were paid only two-thirds of what men made. Although they tended to control the family finances, they did not make unilateral household decisions nor have access to discretionary funds. Women worked because the money they generated was essential. Their principal occupations were trading and farming and there was considerable movement between these two occupations depending on season and the presence of very young children. The author asserts that no status was conveyed by women's work but we are left to conjecture the reasons why this might be so. Some analysis would have been enlightening.

We become acquainted with market places, market towns, periodic and daily markets, and also with the traders. Rural trade is so important that on market days a town can swell to several times its normal size. Kebumen markets reportedly have more traders than peasant markets anywhere in world. Market places are dotted around Kebumen at five to ten kilometer intervals.

In addition, there are periodic markets twice a week per town. While most Javanese market days are officially set according to a five day calender, Kebumen's is based on seven days. How did Kebumen come to have so many traders, why is it operating on a different system from other Javanese towns?

Pasars, depots, tokos, and warungs are all names for types of economic institutions concerned with buying and selling merchandise. We learn about their customers and inventory. Customer preferences and prejudices were particularly interesting as was the rational for grouping items in a market. It is a strategy based on the absence of advertising. The only traders who do not cluster are those who cater to impulse buyers, customers who did not come to the market expressly to buy the item. Rural towns may triple their population on market days during the peak hours between 4:30 and 8:30 A.M.

There are distinctions among traders the *Bakul,* the *Juragan,* and the *Agen.* We learn about the marketing structure by tracing the fate of a cabbage from the field to various markets, where it is ultimately sold in sections or by the leaf in a *warung.* Data, including transaction stages, figures, and sales prices are presented in tables on pages 57 to 59. Distinctions between wholesalers and retailers are also discussed.

There is fascinating yet appalling account of the low prices and miniscule profits that are finally derived from sales. The profit on a single mat could be Rp 50 to 100 and a skillful saleswoman might sell ten a day for a gross return of about Rp 800. Even that tiny amount is goods (Rp 100) and the market (Rp 50). Similarly, the profit on a blouse for the tailor is Rp 200-300 and on a dress Rp 400.

Among the inhabitants of markets are the porters and beggars. Traders admire the first for their strength but are contemptuous of their occupation even though it is much more remunerative than trading. Traders appear to be tolerant of beggars, giving them money (Rp 5), which they view as part of overhead, unless the beggars are particularly despicable or well off. Some beggars do quite well and work lots of markets. The biggest earners are comics and transvestites.

Credit, like profits, are small. The delicate question of how interest is handled in a predominantly Moslem culture is answered; it is and is generally 10%.

The economy is tight. Petty commodity production is not for pin money but for survival in Kebumen where there is not enough land for full time employment for the majority of the inhabitants.

The number of processes, people, and days involved in the production of apparently simple things, such as *tempe,* and the low pay is appalling. Labour is divided by sex and age and production is finely specialized. In one village, most families made *su'un.* Whether it was *su'un, tempe,* or coconut graters, production was labour intensive, low paying and risky. Even after a product is finished and taken to a *warung* for sale, the producer does not receive payment. Payment is only for items actually sold. Under these circumstances, enterprises can only be profitable using unpaid family labour.

We are not surprised that it was difficult to get information concerning interest and credit but the principal reason is unexpected; people lose status if they are found to be in debt. One vignette concerns a particular batik seller, how she got into the business, and her buying and selling strategies.

Traders and credit suppliers tend to deal with each other honestly and punctually due to mutual dependence. Long or short term credit is available, depending on a customer's assets and reliability. A *langganan tetep* might extend credit for a year whereas a *ngalap-nyaur* may want to be repaid the subsequent month. As elsewhere, older people reluctant to use credit, having lived through tough times and remembering price instabilities.

Markets are a focus of investigation for anthropologists and this book contains a lengthy critique of academics observations of other markets, and followed by a somewhat arcane description of chillie marketing and cabbage sales. Additional topics concern supply, distribution and price patterns, and market hierarchies.

Bargaining in rural Java is essential for the trader and the customer. Traders make use of verbal and non-verbal bargaining techniques to make an advantageous sale. They include keeping up a sales patter, switching currency units from *rupiah* to *ringgit,* interchanging items of differing values, and offering *tambahan* something extra. Savvy buyers use strategies such as walking off, bargaining for the right to selecting their own merchandise and *tambahan.*

The major value of this book for the general reader is the description of life in rural Java. Sections of Chapters 1 and 2 with their descriptions of businesses and sex roles, and Chapter 3 with its description of porters and beggars are particularly informative, as is the picture of these hard working, underpaid people.

Trade, Traders and Trading should be of considerable value to cultural anthropologists and geographers due to its apparent inclusiveness and precision. However, the general reader is less likely to be interested in the abundance of detail about markets and marketing, or the arguments addressed to academics and references to earlier studies. Sections of Chapter 1 and 2, with its numerical analysis of market produce, Chapter 3 with its numbers and distribution of sellers by commodities and sex, and Chapter 6, with its academic argument about market hierarchy, are particularly distracting.

This reader wishes that Alexander had added a personal postscript to the book. How did she assess her overall experience in Indonesia -- what was most familiar or foreign? How did her living arrangements work out -- did the family understand what she was doing, how was she treated, what did she conclude about domestic life in that setting? The author mentioned in the introduction that her initial plan had been to focus on women. What conclusion did Alexander reach about growing up female in rural Java? Finally, how did the residents relate to her?

With minimal editing and additions, this book might have appealed to much larger audiences. Both setting and material would have lent themselves to greater narrative development, permitting urban readers to travel to another world.

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